Editor's Note

By Mitchell Vogel

Welcome! It is our hope that this inaugural issue of *American Academic* will make a constructive contribution to the lively and often contentious debates taking place in academic and policy-making circles about the major issues facing higher education in today's changing world.

The title of our first issue is *Academic Values, Market Values: The Shifting Balance*. Before we begin, however, please allow me to say a word about our own organization, the American Federation of Teachers, and what has led us to initiate a journal on academic policy. AFT became involved in higher education almost immediately after the union was formed—our first higher education local was chartered in 1918. Our commitment to higher education has grown to the point where AFT now represents more college and university faculty and professional staff than any other union in the nation.

The union concentrates on advancing professional treatment and sound educational practice. This focus is reflected in AFT's record at the bargaining table and in its legislative advocacy and intellectual activity. Among the issues to which we've devoted the most attention are tenure, academic freedom and shared governance; technology and distance education; and accountability and assessment. Perhaps most important in recent years is our continuing effort to help reverse the academic staffing crisis—a crisis characterized by the loss of full-time tenure-track faculty and the overuse and exploitation of part-time/adjunct faculty, full-time non-tenure-track faculty and graduate employees.

This commitment to supporting these principles in our nation's colleges and universities virtually defines higher education unionism. I am reminded of a poll taken by a major research organization of members of my local union a

few years ago. (I was president of one of the largest university unions for over 17 years.) This poll asked my members to identify the most important thing the union could do for them. The overwhelming response was "Provide support for the university." This was chosen ahead of "Provide higher salaries and fringe benefits." Our members have always been concerned with their institution's future. They advocate greater power for faculty and staff because they feel faculty and staff are best suited to make the most appropriate education-related decisions.

The initiation of this journal, *American Academic*, is a natural outgrowth and extension of these efforts. Academic workers are trained to think dialectically. The scientific method, which was stressed in the vast majority of our disciplines, requires an open exploration of differing viewpoints leading to the hope of new agreements, new viewpoints for future dialectical disagreements, and more importantly, new theories. Readers of this first issue of *American Academic,* seeking this kind of intellectual inquiry, will not be disappointed. We have tried in this issue, and will continue in future issues, to choose topics that are critical to the future of American higher education and to provide the reader with articles from authors representing diverse disciplines, viewpoints and philosophies.

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This year, *American Academic* focuses on an issue that is arousing a great deal of discussion, controversy and concern—the growing influence of market forces and commercial considerations in shaping what happens in our colleges and universities. Many, if not most, of the faculty we represent tell us there is a trend at their institutions toward expanding job-oriented coursework and cutting back on courses that have academic value but may not attract the largest numbers of students and outside support. Faculty members see their institutions expanding externally funded, applied research and diminishing support for research that lacks commercial value.

They also see their institutions replacing full-time, tenured faculty positions with low-paid contingent faculty (part-time and full-time non-tenure-track) with little or no job security and questionable academic freedom. They see college trustees, managers and elected officials exerting greater oversight and control of decision making, bypassing the practice of shared governance. Put all together, this perception is often given the label of commercialization or corporatization.

This is not to say that all academic professionals see these trends identically, and we certainly do not mean to say that the broader community (i.e., academic administrators, trustees, elected officials, students and the general public) has a common view about the nature of the trends or the overall benefits and problems arising from them. An excellent example of the gulf in perspectives that can arise is offered by Pulitzer Prize winning novelist Jane Smiley who began a chapter (The Common Wisdom) in her novel *MOO* by describing the views of various stakeholders of a public university.

> "It was well known among the citizens of the state that the university had pots of money and that there were highly paid faculty members in every department who had once taught Marxism and now taught something called deconstructionism which is only Marxism gone underground in preparation for emergence at a time of national weakness.
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> It was well known among the legislators that the faculty as a whole was determined to undermine the moral and commercial well-being of the state, and that supporting a large and nationally famous university with state monies was exactly analogous to raising a nest of vipers in your own bed.
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> It was well known among the faculty that the governor and the state legislature had lost interest in education some twenty years before and that it was only a matter of time before all classes would be taught as lectures, all exams given as computer-graded multiple choice, all subscriptions to professional journals at the library stopped, all research time given up to committee work and administrative red tape…."

Since those with an interest in the university hold few perceptions in common, it is not surprising that discussions over the appropriate balance between academic and market values are generating a lot of heat. What *American Academic* hopes is that in this and subsequent issues illumination will accompany that heat. This illumination should lead the way to further discourse and study. Not surprisingly, this issue cannot provide the definitive answer either to what the problem is or how to address it. But *American Academic* does intend to provide serious, varying analyses that will enable readers and policy makers to face

complicated questions with a broader perspective. It is our hope that the journal and its articles will serve as a catalyst for further analytical study of the impact of commercial practices in higher education.

In the introduction that immediately follows this article, William Scheuerman— the chair of AFT's higher education program and policy council, and president of United University Professions (UUP) at the State University of New York— and his associate Thomas Kriger, introduce us to the concept of corporatization and how it is impacting the academic community. They offer a way to define corporatization as well as distinguish between its beneficial effects and its dangerous incursions. John Lee and Sue Clery offer an exploration of market trends in higher education based on extensive data about funding, programs and students. Frank Donoghue provides a valuable historical analysis. He argues that the impact of the market is not a new "crisis" but a continuation of a constant pull and tug that dates back to the founding of our higher education system.

Other authors, notably Rhoades and Slaughter, Soley and Bonewits, and Bok (as described by Meisenhelder) state that, despite its antecedents, a crisis does exist today. They point to a number of trends that they contend are having a negative effect on the structure and operations of the academy. Among these trends are changes in public financing, corporate involvement in university research and the university's quest for profits, as well as changes in the academic labor force and in copyright issues. These are all indicators, according to these authors, that the academy is changing and not for the better.

Newman and Couturier and Galston take a different approach. In their view, the impact of the market on the academy is neither inherently positive nor negative. It is a fact of life. For example, consumer preferences should properly be taken into account when devising curriculum and other educational programs. These authors point to some positive aspects of commercialization in higher education. At the same time, they argue that colleges and universities should seek ways in which the market can strengthen the academy, not weaken it.

We have also provided three articles from authors describing their own disciplines and academic focus. Strickland points to the impact of the market upon the field of composition studies, arguing for a new perspective on the relationship between composition studies faculty and the largely part-time/adjunct

faculty corps they supervise. Hertenstein and Regier describe changing crises in labor studies and university presses, respectively. All three of these authors express extreme trepidation about the incursion of the market into their fields and indicate changes their departments should make because of these incursions.

What ever your view of these issues, it is our hope that you will gain valuable perspective by reading this inaugural issue. Having said that, I believe what we've laid out in this issue is only the beginning of where scholarship should go in examining this phenomenon. In the time ahead, I am hoping that scholars will try to reach a more academically rigorous understanding of what is actually happening in the academy and how what is happening today differs from what has happened historically. Comprehensive studies of the relationships between other public institutions, such as hospitals, public K-12 schools, government itself and welfare agencies with their external power structures have led to greater understandings of these institutions. Similar studies of higher education would produce a better understanding of our colleges and universities.

These can be followed by a vigorous and lively effort to generate more comprehensive prescriptions about what should be done. These prescriptions should *not* focus on how to keep the outside world out of the academy or how to make the academy more efficient where appropriate. They *should* focus on how policy makers and scholars working together can build on traditional strengths and adapt to the new needs of our nation's colleges and universities.

We are approaching the 2005 theme of *American Academic* with the same intention in mind. The 2005 theme is "Success in Higher Education"—how to define it, how to bring it about, how to know we've achieved it and who gets to decide. These questions have become critical in light of the recent movement to impose outside, often quantitative "output" requirements on higher education under the banner of accountability. In our 2005 issue, we hope to inform public opinion on the twin issues of accountability and success by exploring an array of ideas and viewpoints from academics, outside researchers and policymakers.

As editor, I will be most interested to have your views on the current issue and also to discuss ideas you may have, or contributions you may want to make to the next issue. I can be reached through the AFT address on this publication. And let me start as I began with a warm welcome to this new AFT effort.

Introduction—The Concept of Corporatization: A Useful Tool or Feel-Good Slogan?

By William Scheuerman and Thomas Kriger

William Scheuerman is chair of the higher education program and policy council of the American Federation of Teachers and president of United University Professions (UUP), the faculty and staff union of the State University of New York. Thomas Kriger is director of research and legislation at UUP. The authors review key issues raised by the contributors to this journal and then offer a synthesis of the concepts of corporatization and suggest an approach to judging its impact on core academic values. —Editors

Many years ago a noted academic, the late Hans Morgenthau, playfully warned his new doctoral students that his was the last generation of privileged academics. As first-year graduate students, most of us didn't fully understand what he meant. Our passion was learning. We just wanted to master our subject matter and didn't give a lot of thought to the many challenges, present and future, our newly chosen profession faced. But as we joined the ranks of the professoriate and worked our way through the academy, it became clear that institutions of higher learning were changing; and, more often than not, many of us felt uncomfortable with the direction they were taking. In fact, over the years whenever we mentioned Morgenthau's observations to colleagues, they usually responded by saying something along the lines of: "Forget about *privileged* academics. Ours may be the last generation of academics, period." Although overly glib, this retort suggests that something is seriously wrong in the academy.

As AFT activists,[i] we hear more of the same from many of our 150,000 higher education members throughout the United States. The academy, they tell us, is becoming increasingly staffed with an army of poorly paid contingent faculty who work without tenure, the very bedrock of academic freedom. The casualization of higher education faculty has undercut tenure. Today almost two-thirds of teacher positions in U.S. institutions are non-tenured.[ii] But tenure

isn't the only institution under attack. The great tradition of shared governance is also increasingly under the gun. Traditional intellectual property rights are up for grabs, and market forces frequently pressure faculty to compromise their professional standards. Indeed, most faculty seem to agree that something is seriously wrong in the academy, but there is no consensus as to exactly what.

The observations of colleagues are backed by a growing body of literature on the changes taking place in higher education policy in the United States. This first issue of *American Academic* examines one of these changes in America's institutions of higher learning: the impact of the marketplace, or what many call corporatization, on different aspects of the academy. We put out a call for papers to explore this topic from a variety of viewpoints and various academic disciplines, and the articles in this journal reflect the ongoing debate. There are many different viewpoints and little or no consensus on the issues. All authors, for instance, agree that commercial factors do impact traditional higher education processes, but not everyone agrees about whether this is good or bad. In general, all contributors view the intrusion of market forces with suspicion or alarm. Some, as Mitch Vogel points out in his Editor's Note, see the contemporary debate as something new and unique. They use the term "crisis." Others reject this view and point to history to show that the pull and tug between academic and commercial values is part of the history of higher education in the United States.

This discussion is lively, deeply felt and instructive. Not surprisingly, it raises as many questions as it answers. That's good because it gives us a roadmap to pursue the jugular issues of the problem with more precision and perhaps take the discussion to a higher level. With that in mind, we will begin by identifying four issues that remain unsettled in the current literature on corporatization, including the contributions in this journal. Later in this article, we offer a preliminary definition of the problem of what many call "corporatization" and attempt to determine which forms of market intrusions are invidious and which are not.

The first issue could be called, "What's so different about today?" To cite one example, Gary Rhoades and Sheila Slaughter's article "American Capitalism in the New Economy: Challenges and Choices" argues that the changes taking place in higher education policy are new and then points to a number of factors characterizing this phenomenon. Other authors also speak in terms of a

crisis. They offer many good ideas, but it is still difficult to pinpoint how, if at all, to distinguish this era from the past. What defines our current circumstances as a crisis, compared to, say, the conditions of higher education that Thorstein Veblen and Upton Sinclair wrote about almost a hundred years ago?[iii] Donoghue's article is illuminating on this point. Veblen viewed the university as a business enterprise. Sure, the kinds of goods bartered and exchanged are different today. But has the core identity of the university as an institution that is partially driven by business, i.e. corporate, values changed?

Is history just a department at the university or are our present experiences best understood within their historical context? If we agree with the latter, as I suspect most of us do, then we need a deeper understanding of how we got to this point if we want to effect change. And doesn't the concept of "crisis" suggest that the very existence of an institution is at stake? For as long as anybody can remember, the mattress store down the street has had this sign in its window: Going Out of Business – Prices Slashed. When does a crisis become just another way of doing business? Again, we need more specifics to show how, or even whether, institutions of higher learning are about to meet the apocalypse.

The second unsettled issue in the literature could be labeled,"Are all commercial intrusions in the university bad?" Indeed, much of the literature views the sale of consumer goods and services by institutions of higher learning as something to be avoided. To a limited extent the Rhoades and Slaughter article again provides an example of this position. Their provocative essay identifies the growing emphasis on the sale of consumer goods and services as an inherent part of the new capitalist knowledge/learning/consumption regime. Putting aside the question of whether or not students would elect to attend institutions that did not sell consumer goods, the question remains as to whether putting a vending machine on campus differs from, say, doubling class size or replacing full-time faculty with an army of part-timers? Does the Coke or candy machine differ from corporate-sponsored applied research? If so, how? Are all corporate intrusions equally bad? What about socially conscious companies such as Ben and Jerry's? Do we run them off the campus too? If so, why?

Willis Regier argues in "Profit or Perish: University Presses and the Book Market" that the sale of consumer goods by bookstores is valuable because it helps subsidize university presses. He tells us that the issue is more complex than it appears, and suggests that some commercial activities may actually

support traditional academic values, which, of course, implies that not all marketplace intrusions are bad. But the question remains: How do we distinguish those market place intrusions that are detrimental to the values of higher learning from those that are innocuous or even helpful? If not all market infringements or "corporatization" are detrimental to the academy, how do we know which are deleterious and which are innocuous or perhaps even worthwhile? Are all forms of corporatization bad?

A third critical question, more implied than addressed in the essays, is, "What drives corporatization?" Are the examples of market intrusions discussed in the essays solely a response to the chronic underfunding of institutions of higher learning? Or are other factors at work? Lee and Clery present extensive evidence citing how the precariousness of state higher education appropriations has led institutions to seek other, more market-oriented, sources of funding. Other essays grapple with this issue, but we certainly have not come to anything definitive about causation.

We must be careful not to fall into the trap, as Professor Morgenthau used to say, of revealing the obvious and hiding the essential. After all, fiscally strapped institutions are more likely to cut costs by replacing full-time faculty with non-tenured part-timers. They're also more likely to place a premium on cost-saving budgeting systems; to rely more heavily on applied rather than theoretical research; to infringe on faculties' traditional intellectual property rights; to emphasize career education at the expense of the humanities; to raise money by contracting out services; to sell sweatshirts and other consumer goods in the campus book store, and so on.

In this context, the solution to contemporary problems facing higher education is relatively clear, although still very difficult to resolve. Rather than viewing the marketplace as an unwelcome intrusion on the academy, we may need to use all the resources at our disposal to secure adequate funding for our institutions of higher learning. Shocking as this may sound to some, perhaps the marketplace is not the culprit! In any case, if we're going to resolve the problems discussed in the essays, we certainly need to take a closer, more precise look at the reasons institutions accept what the authors frequently identify as market place intrusions.

Fourth, and finally, each of the articles in its own way addresses the most fundamental question of all: "What exactly *is* corporatization?" Here, too, we do

not wind up with a clear definition. This is not surprising and is, again, symptomatic of the bulk of literature examining the issue of market encroachments on institutions of higher learning. Does corporatization mean anything besides being a label for activities we just don't like? Or, as we suggested elsewhere, is it just a feel-good slogan of little analytical value? It is critical that we work our way out of this confusion because, after all, if we can't clarify our concepts so we can distinguish the dangerous from the unpleasant or even the beneficial, we'll never develop an effective strategy to resist the corporatization of higher education in the United States.

In light of these important and unsettled issues, our short essay is a preliminary effort to define more clearly the problem of what many call "corporatization" and to determine which forms of market intrusions are invidious and which aren't. Clarification of the concept should also help us identify the differences between marketplace encroachments today from those of the past. Rigorous analysis of the posited question also lifts the intellectual fog that obscures the relationship between complex marketplace intrusions on the academy and the simple question of underfunding. By focusing primarily on "corporatization," are observers studying the essence of the problem or just a symptom?

I

To better understand the concept of corporatization and how it affects higher education institutions, we need to examine how corporations differ from colleges and universities. In other words, we'll begin our analysis by comparing the goals of educational institutions to the goals of business enterprises in capitalist America. The first fact is obvious but crucial: In the United States companies are in business to make a profit. If they fail to realize this goal, they will eventually close down and go out of business. That's the bottom line. To realize the objective of turning a profit, business enterprises must produce a good or service as a *means* to the end of making a buck for the company's owners.[iv] Businesses may produce tangible products such as automobiles, clothing, razor blades, cereal, or whatnot; or they may produce intangible and abstract goods, such as services and knowledge. In other words, companies produce goods, not for the sake of making the goods themselves but for the purpose of exchange. *They produce exchange values.*

There are many significant implications to this fact. If the good or service produced is only a *means* to the *end* of turning a profit, the quality of the product

is a function of whether or not buyers will actually purchase it. At times, an inferior product may sell sufficiently to provide a sound return to investors; but in a competitive marketplace, where consumers have many different choices, the quality of the good produced becomes an issue. When all things are equal, consumers are likely to buy the quality good. Yet the pursuit of profit, not quality, remains the raison d'etre of the good or service itself. Quality is a function of market competition. This obvious oversimplification of the marketplace fails to recognize the many factors at play in the competitive production and sale of goods and services. That's why, depending on circumstances, market conditions may force companies to reduce production costs to the point of undercutting the quality of the product produced. When this occurs, as it frequently does, the tension between the primary drive for profit and the secondary need for quality is exposed as a contradiction inherent in the production of exchange values. Just think about the impact on Detroit when the Japanese overtook the Big Three in the U.S. auto market of the 1980s.

The goals of institutions of higher education are distinct from those of the business sector. Educational institutions attempt to teach students the values associated with the pursuit of knowledge, or what denizens of higher learning institutions like to characterize as the pursuit of truth. The pursuit of truth means that all ideas are up for grabs, thereby encouraging dissent, disagreement and a tolerance for different opinions. Put more succinctly, the goal of education is education. The quest for truth is an end in and of itself; if society benefits from the utilitarian consequences of this quest for truth, all the better. That's why academic freedom—defined as the ability of faculty to pursue without restraints the truth as an end in and of itself—is so important in higher education. Now, we know that people like John Dewey and others[v] focused on the utilitarian values of the quest for truth and how it generates values essential for democracy. Nevertheless, the fact remains—the goal of higher education institutions is education. Or to say it another way, *educational institutions produce use values*, intangible and abstract goods that are ends in themselves.

More than two thousand years ago Aristotle noted that the logic of production for use is quite different from the logic of production for exchange. Simply put, the logic of production for use sees the value of the product as a function of its usefulness. The product is not made with the purpose of being taken to the marketplace to sell, although that might happen. Unlike an exchange value that is produced to exchange for a gain of some kind, the primary function of a use value is to produce a product that fulfills a real human need. This mode of logic

brings quality considerations to the forefront of the productive process. The better the product, the more useful it becomes. Questions of efficiency of the productive process and the profit the product may bring in the marketplace are subordinated to whether or not it does what its producers intended it to do in the first place. This is the key distinction between business enterprises and educational institutions. *The former produce exchange values; the latter produce use values.*

The consequences of this distinction are enormous. On the most immediate level, the distinction between use and exchange value illuminates the isolation of higher education institutions within a social and economic milieu dominated by exchange values. It's easy to understand now why the university is seen by some as an atavistic remnant of the past. When evaluated by exchange-value criteria, it is exactly that! Or at least, in the eyes of some, it should be.

This raises a more subtle point. The exchange value-use value distinction helps us gain a better understanding of the issues and pressures marketplace infringements present to the university. The problems of marketplace encroachment or "corporatization" are not merely a matter of personal taste, of disliking anything corporations or other business enterprises do on campus, as far too many writers on the subject suggest. Understanding the tension between exchange values and use values provides us with a road map to distinguish those corporate values which threaten the integrity of the university and those that we just may or may not like.

The issue of faculty productivity clearly illustrates this point. Using exchange-value criteria, productivity increases are a function of the number of students you can squeeze in a classroom. The institution is doing more and spending less. If larger class size impinges upon the learning process, as many studies show, productivity actually decreases when use value is the goal. The same logic applies to the trend of replacing full-time faculty with legions of part-timers. Reliance on part-timers certainly reduces cost. But if part-time faculty are denied office space, are treated as "outside" the peer process, and teach at several institutions to make ends meet, in effect becoming what we call at AFT "Roads Scholars,"[vi] reliance on part-timers may also undermine the quality of the educational experience. In other words, when exchange-value criteria are applied in the academy—an institutional setting grounded on use value—the goals of learning are undercut. In short, when exchange-value criteria are used

to measure productivity in a sector driven by use values, productivity increases are really productivity decreases! The opposite is also true.

The faculty productivity example shows how use values are weakened when academic managers foist exchange-value criteria upon the educational process. The question of corporate-sponsored research illuminates how private companies may promote exchange values without undercutting the university's use values.

When use-value criteria are applied to academic research, its worth is a measure of how much new knowledge it creates. Academic freedom, as commonly used, gives faculty members the ability to conduct research on topics that may appear esoteric or trivial to many. But—most importantly—the research debate is driven by educational criteria. It focuses on the issue of how best to develop new knowledge and leaves these decisions to the people who understand them best: the higher education faculty and researchers.

The pursuit of use value does not mean university faculty should conduct only theoretical as opposed to applied research. Corporate-sponsored research does not undercut use values *per se*. Take the fictional Acme Drug Company, for instance. Acme may put up bundles of money to find a cure for HIV/AIDS, but as long as faculty members are engaged in the pursuit of knowledge, use-value criteria are met. This holds true even though Acme is sponsoring the research in order to turn some big bucks. Assume now that a faculty member makes a break-through and develops a pill that cures AIDS. Acme will make a mint, to say the least, but as long as the research project itself is controlled by faculty in the pursuit of knowledge, use values remain intact. This, of course, would include the faculty member's right to publish and disseminate the findings. The question for this debate is: how likely is this to happen in the real world?

Here we get to the heart of the current debate on corporatization. What happens when exchange-value criteria are brought *into* the research process? Once exchange-value criteria are injected, the emphasis of the research process shifts from education as the driving force to making a financial return as the goal. In order for corporate managers—or their higher education counterparts acting as surrogates—to maximize the financial return they want to make from their research, the research is subordinated to the company's fiscal objectives. That research grant from the Acme Drug Company may forbid the researcher

from revealing a single piece of information about the project or its results. Or Acme may sponsor a project whose specific goal is to produce an outcome beneficial to Acme. (Does smoking cigarettes cause cancer? Our research shows that cigarettes are perfectly safe!) In short, companies aim to control how the research is conducted; who conducts it; and how the findings are disseminated. Exchange values in the conduct of research stand squarely at odds with academic freedom, which posits that these decisions—how research is done, who does it, and how it's disseminated—should rest with the faculty. When faculty are forced to surrender this power, motives other than educational goals become the driving force.

The inherent contradiction between exchange and use values is more than theoretical. It's real and drives us to ask the jugular question: At what point does an educational institution collapse because its educational function is infected by exchange-value criteria? Put more bluntly, at what point does an institution of higher education fail because it's no longer fulfilling its goal of educating students? This is the primary danger we see in the ongoing corporatization of higher education. The possibility that exchange-value criteria might compromise the education function also explains why the fight against corporatization is a fight for academic freedom and quality education; and it allows us to bring students' educational needs into the picture, something that was lacking in the journal's essays. Conducting research and educating students, after all, is what we're all about.

The distinction between the goals of the business sector and the goals of higher education institutions make it easier to understand the existence of continuous pressures to impose exchange values on the university. In fact, it's now clear that this distinction provides a road map to help us determine which market infringements undercut the educational process and which don't. In fact, the distinction between exchange value and use value now gives us a working definition of the frequently abused and often overused concept of corporatization, a term used synonymously with market infringements on the academy. Based on our distinction, we conclude that corporatization occurs when a business or market value impinges on academic freedom and interferes with the pursuit of knowledge and the quality of education.

When understood in these terms, it's possible to view market intrusions as more than a series of activities abhorred by the political Left and often applauded by the Right.

The example of candy or soda machines on campus illustrates this point. As noted earlier, many observers condemn all profit-making activities on campus. But once we understand the tension between exchange value and use value, we can see that having a Coke machine on campus is significantly different from, say, research contracts that limit the ability of faculty members to share their findings to the larger academic community. Sure, corporations make money off students, who have limited options on campus, by selling Coke and other goods. But unless the campus is involved in some sort of tradeoff that vitiates the production of use values, this act of selling candy, soda, or whatnot is not corporatization. It's not a practice that necessarily infringes on the research and learning process. It's just a business practice some of us happen to dislike. And while we may or may not have other reasons to oppose the practice, blurring distinctions between use and exchange value does not aid our cause.

Similarly, sweatshops are a despicable corporate practice. In New York, our union, the United University Professions (UUP), worked with our affiliate, New York State United Teachers, and other unions, to gain legislation in opposition to the sale of sweatshop-produced goods at SUNY and CUNY. That was a major victory that we all applauded. Nevertheless, the sale of such goods did not necessarily infringe upon the university's production-for-use function. It was separate from the research/learning process and is best understood in that context. That's why the sale of sweatshop-produced clothing in campus bookstores isn't corporatization. Perhaps if a clothing manufacturer offered a university a considerable share of the take in bookstore sales of sweatshop or other goods, we would have reason to think that such a compact could infect the college trustees' decisions on educational issues. That would represent an instance of corporatization, given our understanding of the concept. We want to emphasize, it is not our intention to diminish the importance of resistance against sweatshop-produced goods on campus. We are just trying to make sense out of an unusually muddled issue that begs for clarification. The problems confronting higher education require analysis, not slogans.

Given this definition of the concept, as noted in the faculty productivity example above, not all instances of corporatization come from corporations.

Academic managers often adopt exchange values that they tout as improvements but which actually weaken the quality of the educational process. At the State University of New York, for instance, the trustees developed a financial policy originally called the Resource Allocation Method (RAM) that pits one SUNY campus against another in a Darwinian arena of the marketplace. RAM is predicated on the notion that each campus must be "profitable" in the sense of paying its own costs and generating its own revenues. In so doing, RAM is based on an exchange-value formula that equates reduced costs with educational quality. It's the perfect example of what we at the United University Professions like to call "Darwinism gone ape," foisted on the University by corporate managers imported into higher education.

II

The distinction between production for use and production for exchange also provides us with criteria to distinguish whether and how the ongoing crunch in higher education differs from the trends Veblen, Sinclair and others wrote about almost a hundred years ago. As Frank Donoghue's article observes, corporate interference in America's colleges is not a new phenomenon. In his 1918 work, *The Higher Learning in America*, Thorstein Veblen expressed great concern that business values were impinging upon institutions of higher learning. Upton Sinclair's *The Goose Step: A Study of American Education* made a similar point. Nevertheless, precautionary warnings aside, in the early twentieth century the marketplace and institutions of higher learning were relatively independent of each other. Business leaders, of course, contributed to endowments, and the top institutions of higher learning faced the task of educating future generations of business leaders, but the goals of the business and higher education institutions remained relatively distinct and different. It's one thing to note that the primary functions of college presidents include real estate and public relations, as Veblen observes. But at the time Veblen and Sinclair were writing, many of the functions of higher education accepted today, such as the notion of universities as publicly funded corporate research centers, were yet to arrive.

What, then, has changed? Since marketplace intrusions have been with us for over a hundred years, the best way to understand whether the changes are of degree or of kind is to analyze the extent to which the goals of the corporate sector have replaced the goals of the university over time. Again, our distinc-

tion between use values and exchange values provides the analytical tools needed to resolve the question at hand.

III

The notion that the academy is a sacred place runs throughout the journal's essays. The academy is sacred because it's different from other institutions. Hopefully, these preliminary thoughts shed some light on the nature of the differences. Knowing that higher education institutions produce use values within an environment dominated by exchange values tells us what's different about the university. Just as importantly, it provides us with an analytical tool to understand which aspects of corporate values threaten the very fiber of our institutions of higher learning and why. To successfully resist these threats we need to know what they are and where they stem from. The tendency for many scholars to criticize corporatization without precisely clarifying the concept may explain the dearth of useful plans of action to resist the ongoing corporatization of higher learning in the United States. Hopefully, the distinction made here between exchange values and use values should help us formulate useful action plans. Certainly clarification of the concept and the realities of corporatization need further exploration. Nevertheless, our distinction between use and exchange values also puts us on the side of the angels in the political fight against corporate intrusions by providing an analytical tool that defines our battle as a struggle *for* academic freedom and educational quality, not a fight *against* business practices we simply don't like. And that's the key. If we oppose everything the market does, we end up opposing nothing.

ENDNOTES

[i] William E. Scheuerman is President of United University Professions, an AFT Vice President, and chair of the AFT Higher Education Program and Policy Council; Thomas J. Kriger is Director of Research/Legislation for UUP and often contributes to AFT functions.

[ii] See the American Federation of Teachers, *Marching Toward Equity: Curbing the Exploitation and Overuse of Part-time and Non-tenured Faculty*, October 2001; The American Federation of Teachers, *Standards of Good Practice in the Employment of Part-Time/Adjunct Faculty*, July 2002.

[iii] See Thorstein Veblen, Higher Learning In America, Augustus M. Kelley Publishers, 1971; Upton Sinclair, Goose-Step, Classic Books, 1923.

iv The ideas in this article were first explored in William E. Scheuerman and Thomas J. Kriger, Corporatization: Concept or Slogan?, Thought and Action: The NEA Higher Education Journal, (Vol. XVII, Number 1), Summer 2001: 119-126.

[v] See John Dewey, *Democracy and Education*, The Free Press, 1916.

[vi] See Note ii.

Key Trends in Higher Education

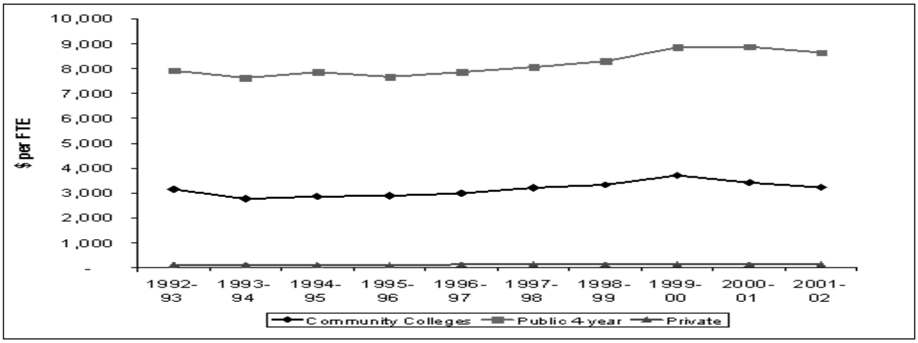
BY JOHN LEE AND SUE CLERY, JBL ASSOCIATES

Enrollment in higher education is up, while state funding for public higher education decreases in bad times but tends to rebound in real dollars over the long term. Outside revenues are also up. At the same time, a number of key indicators suggest that state funding may become an unreliable source of support in the future. In response, public colleges and universities have been increasing tuition, aggressively pursuing corporate grants and commercial fund-raising, cutting the tenured academic workforce and privatizing services.
—Editors

The Good News

Today, over 15 million students attend over 4,000 colleges and universities. This represents a growth since 1980 of 3 million students and 1,000 degree-granting institutions. Close to 12 million of these students attend over 1,700 public colleges and universities. Public colleges and universities since 1980 have grown by 2 million students and 200 degree-granting institutions.[i] Demographic trends indicate that the number of people wanting to attend college will continue growing for some time to come.

FIGURE 1: State and local support for higher education per FTE enrollment in constant 2001-02 dollars: 1992-93 to 2001-02



SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System, Finance Survey Data, various years.

On average, state and local support per full-time-equivalent student for public and private institutions remained about the same in real dollars between 1992 and 2002, with a slight increase at four-year public institutions (Figure 1).[ii] In addition, more federal grant monies are being awarded to institutions of higher education, primarily to research universities. Institutions are able to retain some of these funds and apply them to other college and university operations.

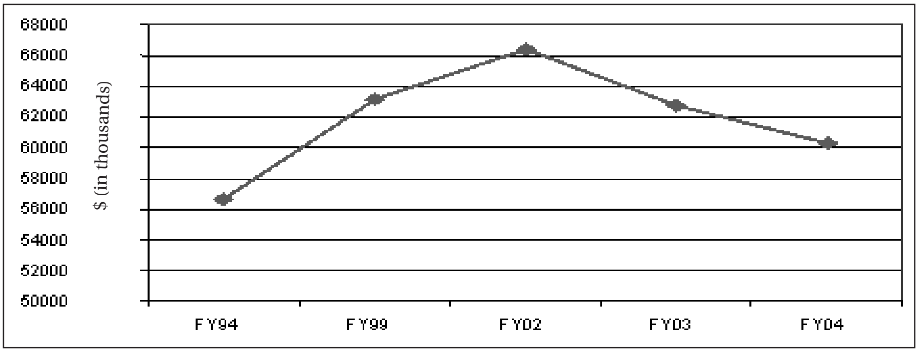
Troubling Trends

Taking all of this information into account, it seems as though public higher education is doing well, or at least holding its own. But wherever one goes in higher education, one encounters a broad disquiet among academic workers about the long-term prospects of their institutions. Either these people are determinedly pessimistic in the face of good news or something else is hap pening. That "something else", we believe, can be found in a number of important trends to which we now devote our attention.

Precarious state support

Colleges and universities are at the mercy of cycles in state and local tax support. Census data shows that in 1970 states appropriated 7.3 percent of their funds for higher education, but the share dropped to 5.3 percent in 2000. As Harold Hovey reports "Over the past decade the percentage increases in state support for higher education have been smaller than the percentage increases in total state budgets. . . . In other words, higher education isn't competing successfully with the attentions of other forms of state funding." [iii]

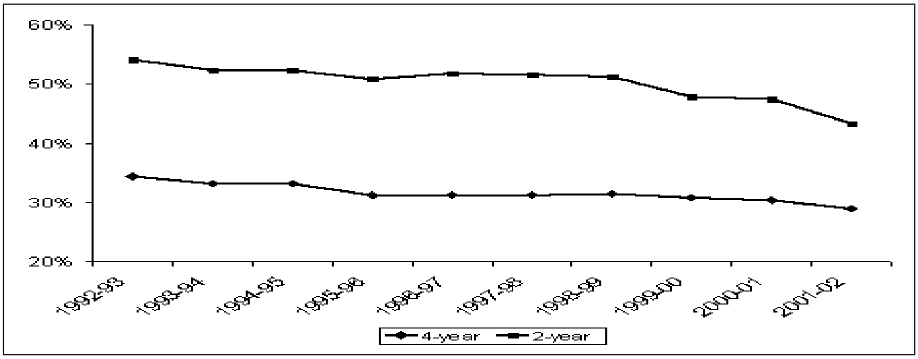
FIGURE 2: State support for higher education in constant dollars, 1994-2004



SOURCE: Grapvine, University of Southern Illinois.

Higher education's share of the overall state budget continues to shrink in most states. The growing competitors for state dollars include Medicare and state prisons and correctional functions. Since costs for these programs are expected to continue to escalate, the decline in percentage of state funds devoted to higher education is likely to continue as well. This decline is exacerbated by the fact that higher education is a discretionary state expenditure, and every public official knows that colleges and universities can raise tuition to compensate for state cutbacks. As a result, during difficult economic times, state cuts of higher education budgets often exceed those of other state programs. Figure 2 shows state support—including institutional appropriations, support for student aid and state boards—in constant dollars over the last few years.

FIGURE 3: State and local support as a percent of total revenue, public 2- and 4-year institutions: 1992-93 to 2001-02



SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System, Finance Survey Data, various years.

It is easy to see that the recent recession, coupled with revenue shortfalls, has been devastating for higher education. Even though the economic picture is brightening, the Center on Budget and Policy Priorities does not think the fiscal crisis is over.[iv] Some 30 states are projecting deficits in 2005. More budget cuts loom in the future.

Just as the percentage of the state budget devoted to higher education has declined, so has there been a decline in state support as a percentage of institutional revenue over the last ten years (Figure 3). Direct support from state and local sources is especially important in community colleges and shows the largest decline over the ten years.[v]

Rising costs

At the same time state support becomes more precarious, the cost of basic services for colleges and universities generally increases at a faster rate than inflation. Over the last two decades (1980-2000), the price of goods and services purchased by colleges and universities has increased 154 percent. During this same 20-year period, inflation in the general economy measured by the Consumer Price Index (CPI) increased only 118 percent.[vi]

One key factor is the increased cost of health benefits. Another factor is the cost of technology. Committing to new computer systems and software increases the need for training and support and future upgrades and replacement, all of which take money out of future budgets. In many cases, new systems do not operate as expected and require further investment before they work. A third cost factor is deferred maintenance. Every higher education institution has a long list of deferred maintenance projects lurking in the back of every budget request. Bringing facilities up to modern safety and fire code standards, making the campus available to handicapped students and retrofitting rooms to connect to the Web all make important claims on the budget.

Competition among institutions

Along with precarious state support and rising costs, colleges and universities are under pressure to expand services, competing in an increasingly diverse higher education system. Competing for student enrollment requires more emphasis on providing student amenities. When parents and potential students visit colleges, they ask about the dorms, recreation facilities, campus safety, social life and access to computers and the Web. In order to attract students, college administrators are investing in these amenities and improving the appearance of the grounds and facilities. These functions may not be directly related to the delivery of education, but they are claiming a larger slice of revenue.

In addition, public colleges and universities are spending more on institutionally provided student aid and student marketing. In 1992–93, 17 percent of undergraduates in public institutions received institutional aid, averaging about $2,200 (after adjusting for inflation to 1999 dollars). By 1999–2000, 23 percent received such aid, averaging about $2,700.[vii]

In addition to competition among “traditional” institutions, public higher education must respond to competition from the growing sector of for-profit col-

leges and universities. In the 1980's, the growth of federal student aid funding corresponded with a significant increase in the number of for-profit proprietary schools, which generally offered one- or two-year vocationally oriented education and training programs. Later in the 1980s and into the 1990s, many stories circulated in the press and on Capitol Hill about fly-by-night trade schools who took advantage of the student aid system to offer sub-par training at high costs, primarily to economically disadvantaged students. Federal law was then amended to place strong fraud and abuse controls on these institutions. In the years since then, the size of the proprietary sector has decreased and the performance of remaining schools has improved.

Recently, however, we have seen significant growth in a new kind of private for-profit institution: one that offers four-year degrees and is often accredited by the same higher education agencies that approve public and private non-profit higher education institutions. One of these for-profit institutions, the University of Phoenix, advertises itself as the largest college in America and last year awarded its students over $1 billion in federal student loans.

Table 1 documents the change in the proprietary sector as less-than-two-year schools closed and the proprietary institutions with programs of two years or longer more than doubled their enrollment. Even though enrollment in the short-term programs declined, enrollment in longer programs more than doubled the growth in any other sector.

TABLE 1: Enrollment in postsecondary institutions by institutional type: 1990 and 2000

	1990	2000	Percent change
Total	14,681,898	15,701,409	6.9
Proprietary	719,778	672,851	-6.5
Proprietary, less-than-2-year	506,269	185,877	-63.3
Proprietary, 2-year or more	213,509	486,974	128.1
Community colleges	5,258,236	5,836,052	11.0
All 4-year	8,703,884	9,192,506	5.6

SOURCE: U.S. Department of Education, National Center for Education Statistics. Digest of Education Statistics 2002, Table 170; Digest of Education Statistics 1992, Table 158.

Currently, there are twelve publicly traded higher education companies that deliver college-level classes around the world. More deals are pending. Large national chains depend on standardization of classes and centralization of administration that is made possible through technology. They forgo the trappings of a traditional campus and often deliver a narrowly defined set of classes designed to prepare students for particular jobs.

Some for-profit programs have created quality concerns while others—generally those with narrower job-related goals—appear to be doing a better job than they were originally in terms of quality. In any event, for-profit higher education represents an alternative model that may well prosper in an era of increasing student aid and shrinking institutional support for public institutions. It represents an emerging competitor for students who might otherwise have attended public colleges or universities.

The Response: Increase Revenues

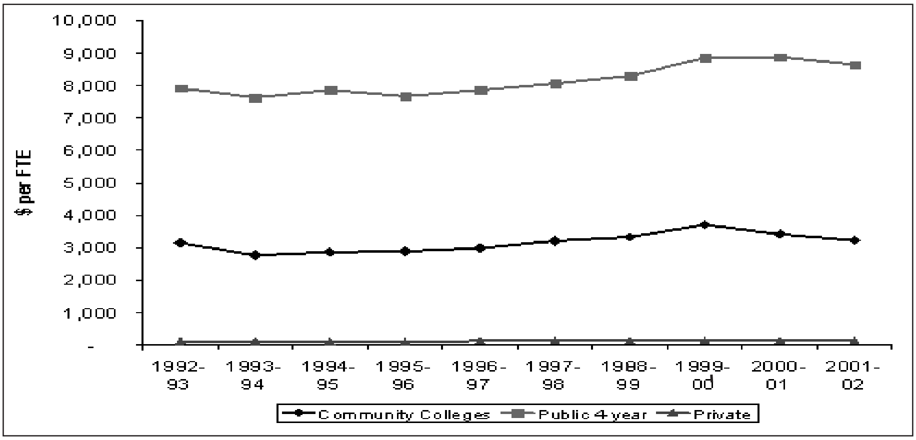
Perhaps inevitably, institutions of higher education are trying to compensate for the ups and downs of state support and increased competition in two classic ways: by raising revenues from non-state sources and by cutting personnel and service costs.

Student tuition

As public colleges and universities rely less on state government funding, more are moving toward direct student contributions to finance higher education. The percentage of public college and university revenues coming from student tuition increased between 1980 and 2000 from 13 percent to 19 percent, while state funding—including appropriations, grants and loans—decreased from 46 percent to 36 percent of total revenues during the same years. The percentage of federal funding remained relatively constant between 1980 and 2000.[viii]

The following chart shows the change in the average tuition and fees, expressed in inflation-corrected dollars, charged by public four- and two-year colleges starting in 1976. The real price of attending a public four-year college has risen from $1,900 in 1976 to $4,700 in 2003. Community college tuition and fees more than doubled from $900 in 1976 to $1,900 in 2003. The increases mean that a greater share of educational costs is being shifted to the student. These increasing costs are offset, to some degree, by loans and grants.

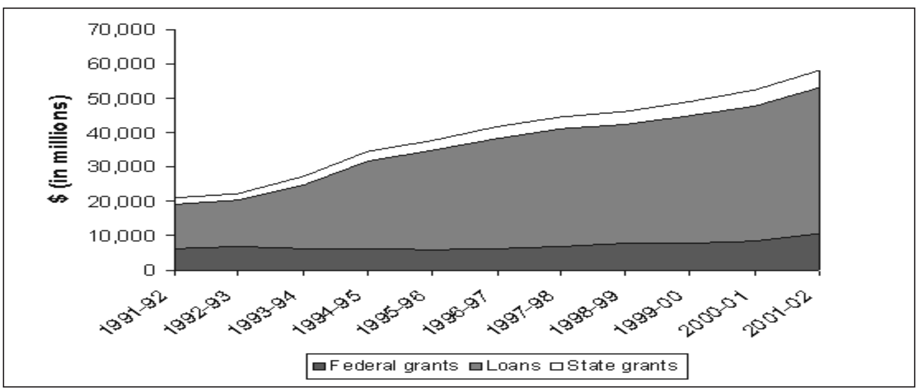
FIGURE 4: Average tuition and fee charges, 1976-77 to 2003-04 (in constant 2003-04 dollars and enrollment weighted)



SOURCE: College Board. *Trends in College Pricing 2003.*

To put the change in perspective, the lowest-income families in 1980 spent 6 percent of their income to pay tuition at public two-year colleges. By 2000, these families had to use 12 percent of their income to pay tuition at these colleges. Likewise, tuition at public four-year colleges and universities represented 13 percent of income for the lowest-income families in 1980. In 2000, tuition at these colleges and universities equaled 25 percent of their income.[ix]

FIGURE 5: Grants and loans awarded to students: 1991-92 to 2001-02



SOURCE: The College Board. Trends in Student Aid. (New York: 2002).

Government has traditionally provided help in the form of financial aid to students. This comes in the form of federal and state grants, loans, and to a much lesser extent, work-study jobs. As you can see, there has been an overwhelm-

ing, and increasing, reliance on loans—money coming indirectly from students—as a form of aid (Figure 5).

The increases in student aid over the years have allowed many students to enter higher education. Nevertheless, aid has not kept pace with rising college costs. Neither federal or state grant aid nor family income have kept up with the increasing price of a college education. This widening cost gap has increased pressure on low and middle-income students to either work or borrow more to finance their education. In 2001-02 students borrowed $54.3 billion from federal sources and another $5.6 billion from private loans.[x] Ten years earlier, students borrowed $22 billion from federal programs; private loan programs were nearly non-existent. This total does not include credit cards and personal loans that students and their families may have used.

Other funding sources

In addition to relying on higher tuition, institutions have diversified their funding sources to help compensate for decreased state funding and to increase revenues. Colleges and universities have always had streams of income that result from active programs, such as holding patents, renting campus facilities to outside groups, providing educational services to employers, and branding school logos to sell. This stream of other revenue has been growing over the last decade. According to the Association of Governing Boards, 23 states have launched matching funds programs to boost private giving to public colleges and universities.

Colleges and universities also develop commercial sales to augment unpredictable revenue from more traditional sources. Accounting, however, changes have made it difficult to show the long-term trends. Examples of campus income-generating strategies include:

- Increased private fundraising
- Developing or expanding corporate, online and contract training
- Expanding or improving retailing on campus
- Introducing campus charge cards or e-cards
- Offering alumni programming
- Renting out campus facilities
- Claiming intellectual property rights for research done on campus

- Marketing instructional materials and claiming intellectual proper ty rights for them.

According to a Rand report, more than $21 billion is spent annually by the federal government on university research, primarily at research universities.[xi] Of that amount, about three-fourths goes to direct costs and one-fourth to indirect costs. This overhead money is available to support general operations. The Department of Education makes an additional $2.1 billion in grants to colleges and universities for programs such as TRIO and teacher quality enhancement. The overhead from these grants can also be used for administrative and general support, although how much really gets farmed back to general educational purposes is subject to dispute.

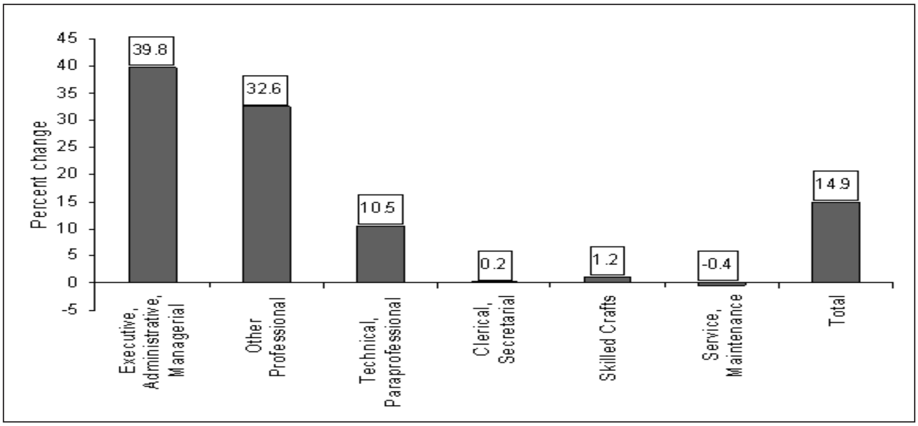
Growth in administrative, professional and classified staffing

Not surprisingly, an institution's success in receiving grants generates a push to receive more and more grants, and that effort requires additional staffing. Fundraising, managing external contracts, and increasing marketing and admissions efforts all lead to more employees outside the classroom.

In fact, higher education is witnessing an accelerating growth in the number of non-teaching administrative, professional and classified staff. In 2001, the federal government reported that colleges and universities employed slightly more than 1.4 million individuals in full-time non-teaching jobs, while another 277,468 worked part-time. Non-teaching employees now outnumber those in the classroom, and their numbers have been growing at a faster rate. The number of full-time non-teaching employees grew by 15 percent between 1993 and 2001, while full-time faculty members grew by 3.5 percent in the same time period.

Figure 6 shows that the rate of increase for different types of staff in colleges and universities varied significantly from 1993 to 2001. Administrators were the fastest growing class of employees at 40 percent. "Other professionals," the second fastest growing class of employees (33 percent), are employees in jobs that require a baccalaureate degree, but are outside teaching, including counselors, accountants, librarians, fund-raisers, etc. At the lower end of the salary scale, with very little growth (1 percent or less), are employees in service and maintenance, skilled crafts, and clerical and secretarial jobs. These jobs are most at risk of falling victim to outsourcing and automation.

FIGURE 6: Percentage change in staff: 1993 to 2001



SOURCE: U.S. Department of Education, National Center for Education Statistics, Integrated Postsecondary Education Data System, Staff Survey Data, 1993 and 2001.

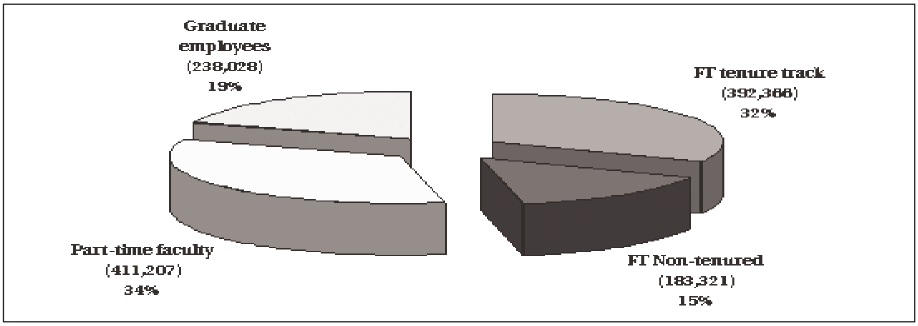
The Response: Decrease Costs

In addition to finding alternative sources for generating revenues, institutions are looking to reduce costs. This effort has taken two forms: one is the trend to reduce the number of full-time tenured faculty and the other is the trend towards privatization of services.

The shift in academic staffing

Instead of relying almost entirely on full-time tenured professors to provide the core of education, institutions are employing a new contingent workforce of part-time/adjunct faculty, full-time non-tenure-track faculty and graduate

CHART 1: Higher Education Instructional Workforce: Contingent Labor (1998)

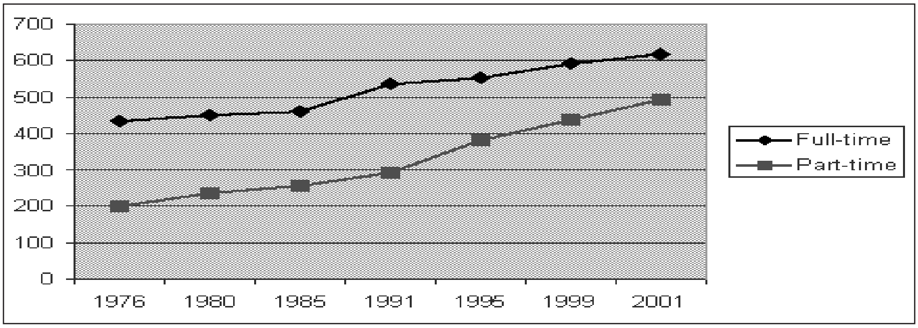


SOURCE: U.S. Department of Education, Digest of Education Statistics 2002.

employees to assume a growing share of the teaching burden. Contingent labor constituted nearly 70 percent of the Higher Education Instructional Workforce in 1998 (Chart 1). These faculty members, particularly part-time faculty and graduate employees, are paid relatively low wages, receive few if any benefits, and operate without the job security and academic freedom offered by tenure.

Figure 7 shows that the number of faculty members teaching full-time increased by 42 percent between 1976 and 2001. The number of part-time faculty members increased by 148 percent during the same period. Much of the growth in the higher education teaching force over this time period is accounted for by part-timers. Adding graduate assistants to the total pushes the number of part-timers in the academic teaching force above the number of faculty teaching full-time.

FIGURE 7: Number of faculty, by faculty employment status: 1976 to 2001



SOURCE: U.S. Department of Education, National Center for Education Statistics, Digest of Education Statistics 2002, Table 223.

Martin Finkelstein points out that the majority of all new full-time faculty members have taken non-tenure eligible positions. Only about one-quarter of all new hires, both full-time and part-time/adjunct, were to full-time tenure-track positions. In terms of full-time newly hired faculty, only 45 percent had tenured or tenure-track positions, while 55 percent were appointed to non-tenure-eligible positions.[xii]

Part-time/adjunct faculty

Clearly, the chief indicator of the expanding contingent work force is the dramatic growth in the use of part-time/adjunct faculty. Over 40 percent of college and university faculty members work part-time. That means that almost

half a million faculty members (not counting graduate teaching assistants) out of 1.1 million teach part-time. Nearly one-half (48 percent) of all part-time college faculty members teach in public community colleges.

The data show that part-time/adjunct faculty members are paid relatively little—an average of $2,700 per class—and have few or no benefits.[xiii] With a per-course average of $2,700 a part-time/adjunct faculty member teaching ten sections a year would earn a salary of $27,000, often with no benefits. In addition, part-time/adjunct faculty members generally do not have job security and can be laid off with no warning if sections do not fill or the college faces a severe budget problem.

Full-time non-tenure-track faculty

Another growing contingent in the higher education faculty ranks is the full-time professor hired off the tenure track, usually on a one-year contract (sometimes more). The AFT report "The Casualization of the United States Higher Education Instructional Workforce," states that twenty-eight percent of full-time faculty members do not have tenure and are not on a tenure track.[xiv] Eighteen percent of non-tenure-track faculty members were at institutions with a tenure system and 10 percent were at institutions without a tenure system (Table 2). The number of non-tenure-track faculty is up from 21 percent in 1987, when 12 percent were not on tenure track and 9 percent were at institutions without a tenure system.

TABLE 2: Number and percentage distribution of all full-time faculty by tenure status: Fall 1987 and Fall 1998

Year	Tenured	On tenure-track	Not on tenure-track	No tenure system	Total faculty
1987	298,700	108,150	61,800	46,350	515,000
	58 %	21%	12%	9%	
1998	296,800	106,400	100,800	56,000	560,000
	53%	19%	18%	10%	

SOURCE: U.S. Department of Education, National Center for Education Statistics, National Study of Postsecondary Faculty, 1988 and 1999.

Graduate employees

Over the last ten years, there has also been an increase in the employment of graduate teaching and research assistants. The number of graduate employees

continues to grow. As Table 3 shows, the number in 1998 was 240,000, an 18 percent increase from 1993. More recent data show that number has now grown to 259,000, representing a 28 percent increase over the decade.

Graduate employees typically have multiple responsibilities, including positions as graders, discussion leaders, lab specialists, advisors, community outreach specialists, administrative assistants and many other roles necessary for the full functioning of today's university. Graduate employees typically do not earn enough from their assistantship to cover their basic living expenses and frequently do not receive adequate health coverage from the university.

TABLE 3: Total number of graduate employees: 1993, 1998 and 2001

Year	1993	1998	2001	Percent change
Graduate Employees	202,819	239,738	259,567	28%

SOURCE: U.S. Department of Education, Fall Staff Survey, various years.

Privatization of services

In the search for cost savings and greater efficiency, higher education has turned to outside vendors to provide services. The Center for the Study of Outsourcing and Commercialization in Higher Education, an industry lobby, conducted a survey in which they found the following evidence of outsourcing by colleges and universities:

- HMO's provide healthcare to one in every eight colleges
- Large bookstore chains such as Barnes & Noble operate more than 40 percent of college bookstores
- Corporations such as Marriott run more than 60 percent of college dining halls
- Nearly one-half of the colleges and universities contract out at least five services
- Only 5 percent of colleges and universities do not rely on outsourc ing at all.[xv]

According to the survey, vending and food service is the most commonly privatized function on campus. Other responsibilities that are contracted to outside vendors include, in descending order:

- Physical plant/facilities management (buildings and grounds, custodial, energy conservation, recycling)
- Law enforcement and safety, parking, mail, copiers, printing and publications
- Business services (payroll, auditing and accounting, tuition payment plans and real estate)
- Student services (housing, career counseling, health centers, student unions and financial aid), although rarely.

Thus, we are seeing a trend toward privatization in colleges and universities (as we do in many other organizations). This trend has not, however, extended to core services—at least not so far. This may be a hopeful sign for those who can see value in saving on ancillary services as long as a high level of investment in educational services is maintained.

Conclusion

What does this research tell us about higher education? First, it shows that using indicators such as the history of per capita state support, the amount of outside fund-raising, and demographic trends, public higher education is not in bad shape. On the other hand, recent state budget cutbacks, along with the declining *share* of state funding devoted to higher education, suggest that state colleges and universities have reason to be concerned about the reliability of government support.

With the unpredictability of state support, institutions are moving to increase revenues and cut costs as they face increased competition for tuition dollars and corporate support. This competition may well lead institutions to work harder to make their programming "relevant" to their customers and clients, but it may also lead institutions to abandon activities that are not commercially profitable, even if they may have high academic value.

Pressure to cut costs is also leading to dramatic changes in the higher education personnel structure. It can be argued, on the one hand, that employing part-time faculty, aside from cutting costs, permits colleges to allow for changes in enrollment and to find the best experts to teach individual courses. However, the loss of full-time tenured positions also raises serious concerns about maintaining a stable workforce, as well as about faculty control over cur-

riculum and teaching, which for many years have been considered essential elements of quality higher education.

In closing, it should be noted that some postsecondary institutions have greater protection from this financial pressure than others. The flagship state research universities may do better because of their size, multiple streams of revenue, increasing funding for research, and their prestige. The public non-research regional colleges and community colleges have less ability to escape the financial pressures. These institutions are more narrowly dependent on state support than are the universities and have less potential to attract private gifts and alumni giving. These colleges do not have as much latitude to raise tuition because they serve lower-income students who are less able to afford the higher prices. In addition, these institutions will experience greater competition for students from the growing proprietary sector.

ENDNOTES

[i] U.S. Department of Education, National Center for Educational Statistics. *Digest of Education Statistics 2000.* Washington, D.C.: NCES, 2001,Table 172.

[ii] NCES changed their data collection system starting in 1999, which accounts for some of the increase between 1998 and 1999.

[iii] Hovey, H. *State Spending for Higher Education in the Next Decade: The Battle to Sustain Current Support.* , Boulder, CO: NCHEMS, 1999.

[iv] Center on Budget and Policy Priorities. *State Budget Deficits Projected for Fiscal Year 2005,* Feb. 6, 2004.

[v] NCES data collection standards for reporting financial revenue and expenditures changed for public colleges and universities beginning in 1999 making meaningful financial trends impossible.

[vi] Research Associates of Washington.

[vii] Horn, L., and K. Peter. *What Colleges Contribute: Institutional Aid to Full-Time Undergraduates Attending 4-Year Colleges and Universities. Washington, D.C.*: U.S. Department of Education, NCES 2003157. April 2003.

[viii] U.S. Department of Education, National Center for Education Statistics. *Digest of Education Statistics 2002.* Washington, D.C.: NCES, 2003, Table 330.

[ix] Finney, J. *Losing Ground: A National Status Report on the Affordability of American Higher Education*. National Center for Public Policy and Higher Education, 2002.

[x] College Board. *Trends in Student Aid, 2002*. NY: College Board, 2003.

[xi] The American Institute of Physics Bulletin of Science Policy News (August 16, 2000) 98.

[xii] Finkelstein, M. The morphing of the American academic profession, *Liberal Education*, 89. Fall 2003.

[xiii] Based on U.S. Department of Education, National Center for Education Statistics. *National Survey of Postsecondary Faculty 1999*. Washington, D.C.: NCES, 1999.

[xiv] Gold, L. *The Casualization of the United States Higher Education Instructional Workforce*. Washington, D.C.: American Federation of Teachers, 2003.

[xv] Kirp, D. L. Higher Ed Inc.: Avoiding the perils of outsourcing. *Chronicle of Higher Education* (March 15, 2002).

Academic Capitalism in the New Economy: Challenges and Choices

By Gary Rhoades and Sheila Slaughter

The authors contend that "academic capitalism," defined as "the involvement of colleges and faculty in market-like behaviors," has become a key feature of higher education in the United States. This article examines institutional practices in every sector of higher education. The authors urge academic faculty and professionals to engage more deeply in shaping and controlling both academic work and the relationship between the institution and the marketplace. Finally, the authors speak to the need to "republicize" colleges and universities, that is, to reaffirm the university's public purposes and financing.
—Editors

What we are calling "academic capitalism in the new economy" is a regime that entails colleges and universities engaging in market and market-like behaviors.[i] What do we mean by that? How is the present different from the past? After all, colleges and universities have long operated bookstores and sold tee shirts and coffee mugs for profit, and professors have long written textbooks and engaged in consulting for profit.

We believe the difference is a matter of breadth and depth. Colleges and universities—particularly public colleges and universities faced with a major loss in state support—now develop, market and sell a wide range of products commercially in the private sector as *a basic source of income*. This goes far beyond nonacademic consumption items (such as logos, tee shirts, etc.). Today, *higher education institutions are seeking to generate revenue from their core educational, research and service functions*, ranging from the production of knowledge (such as research leading to patents) created by the faculty to the faculty's curriculum and instruction (teaching materials that can be copyrighted and marketed).

We see these developments as the emergence of an academic capitalist knowledge/learning/ consumption regime. By "regime," we mean that within each of

these realms lies: a systematic revision and creation of policies to make these activities possible; a fundamental change in the interconnections between states, their higher education institutions and private-sector organizations to support such activities, blurring the boundaries between the for-profit and not-for-profit sectors; and a basic change in academy practices—changes that prioritize potential revenue generation, rather than the unfettered expansion of knowledge, in policy negotiation and in strategic and academic decision making.

The regime we identify is the product of a shift in the nation's political economy and the actions of a network of actors and organizations. For some time, we have seen the U.S. shifting from an industrial to a knowledge/information-based economy, leading colleges and universities to connect to new networks and types of businesses and industries. Some adjustments in academic programming to encompass the challenges of a shifting global economy obviously make sense. What makes less sense is to substantially restrict the academy to meeting short-term economic priorities—and what makes still less sense is to reduce the other significant roles that higher education has to play. These include providing access to the economy for a broader proportion of the population; preparing citizens for a democracy in a new, high-tech, global world; and addressing a range of social problems and issues that attend the shift to a knowledge-based economy.

We have seen the ascendance of neo-liberal and neo-conservative politics and policies that shift government investment in higher education to emphasize education's economic role and cost efficiency. This shift has led governmental agencies to cut funding for public higher education (along with most public services). The combination of these cutbacks, along with competition among institutions, leads academic managers to play the leading role in advancing academic capitalism on campus. Yet faculty, too, are also complicit. In this article, we will try to clarify in concrete ways how revenue generation comes to be prioritized over the core educational activities of the academy.

The salient factors in this shift are directly connected to the increasingly corporatized, top-down style of decision making and management in higher education. Higher education has experienced what George Keller (1983) called "the management revolution in the academy," which has involved academic managers exercising greater strategic control over the direction of colleges and universities. Increasingly, the presidents of higher education institutions are both

seeing themselves as, and being labeled as, CEOs. In this context, their faculties have increasingly become "managed professional." [ii] Academic capitalism in the new economy encompasses, but constitutes more than, these developments.

In this article, we focus particularly on the curriculum and on copyrighted materials in mapping out academic capitalism in the new economy, for these are the defining features of its emergence. We open with a concrete example of such academic capitalism within academic departments, followed by an analysis of a national sample of institutional policies and collective bargaining agreements. We then identify the challenges that academic capitalism in the new economy presents to faculty, concentrating on the control of academic work, the structure of professional employment, and the stratification of academic fields and educational functions. Further, we discuss choices that faculty face, collectively and individually, having to do with governance, labor organizing and bargaining unit membership, and educational purposes. In closing, we speak to the need to republicize (with a hard "c," making more public) colleges and universities, offering alternatives to academic capitalism in the new economy.

Department Heads in Public Research Universities

We start with a description of two computer science department heads, drawn from interviews of 135 department heads at 11 public research universities.[iii] From the same institution, one had been the department head for almost a decade; the other, its current head, had been recruited three years previously from a university with a reputation for close ties to the business community. The two men could not have been more dissimilar, and the transition in leadership from one to the other represents essential elements of the story that is told in current literature about entrepreneurial activity in U.S. research universities. That storyline focuses on research, on the shift from producing basic science (supported by federal grants) for publication to producing applied science in conjunction with industry for the development of patents and, therefore, a new revenue stream for the university.[iv] But we place even more emphasis on the fact that the two department heads represent an example of "educational entrepreneurialism," an increasing departmental focus on moving curriculum and instruction to new markets, primarily in pursuit of revenue. The change in departmental focus tells part of our story about academic capitalism in the

new economy: the prioritizing of potential revenue generation in a range of decisions about curriculum and instruction.

The former head was a classic academic—from tattered, wrinkled, loose-fitting sports coat and open-necked (poorly matching) shirt, to his commitment to "basic research" and his disdain for market-oriented science, evidenced in this quote:

> Generally, the powers that be favor this. It is encouraged, and it creates problems. It's not the kind of research that faculty think they should be doing in an academic setting. If you don't come up with the answers industry wants you to find, what do you do? I've seen a lot of conflicts. Others say it is the most important thing we can do to show that we are useful. Our department head thinks it's important.… I haven't had the connections with industry. If I had to feed my family and needed something to do, perhaps I would have developed such connections.

Opinionated and outspoken, the former head openly acknowledged disagreement within the department about entrepreneurial directions.

In contrast, the current head of the department—immaculately dressed—did not acknowledge any disagreements in his department concerning entrepreneurialism. He was clear that he had been brought to the university to increase the unit's ties to business, and he listed, in bullet fashion, several new centers that connected his faculty with industry. Yet what was particularly striking to us about his strategic plans for the department was their focus on course offerings.

> Most of the professional colleges want Introduction to Programming courses. We are also proposing an Introduction to Programming for the sciences. If we get our way, we would see another year of three courses across the university. That would generate 30,000-40,000 student credit hours.

When asked how his unit could possibly staff such a dramatically expanded set of course offerings, he replied, "Such courses are graduate teaching assistant compatible." Graduate employees, of course, can be excellent teachers, but the

department director was speaking entirely in efficiency terms—offering the courses as cheaply as possible. In the context of a university that had gone to a budgeting system that directly rewarded student credit hours, the new head was seeking to increase market share, and thus revenue. He sought to deliver education cheaply; yet his definition of "efficiency" directly conflicts with the more than decade-long pressure with regard to accountability and quality from state legislatures seeking to ensure that students are being taught by tenure-track faculty. Indeed, the new head's aim was to establish Computer Science as a separate school, servicing all undergraduates with courses staffed by graduate-student labor. Such a strategy was, like his research plans, opposed by the former head:

> I like very much the relationship with other units, and not just sciences. It encourages us to be less engineering oriented in our programs. … I like being at a university. What's the point of being here? I like the fact that students take courses across different fields.

The former head's focus was on educational considerations—on quality education, not on revenue—and on the broad liberal educational mission of a university. As he said, "What's the point of being here?"

This rumpled academic was articulating views that speak directly to the push, from both policymakers and businesspersons, for higher education to produce well-rounded graduates who have learned how to think and have sharpened a wide range of communication and writing abilities. In other words, the introduction of a short-term business mindset within the academy runs counter to what business, policymakers and society say they want from the academy. The academy does not necessarily best serve its purpose by taking on a short-term, profit-maximizing mentality.

In talking with other department heads for our study, it became clear that the new head was not alone in his strategic revenue orientation to curriculum and instruction. What we found across settings was an "educational entrepreneurialism" that was more prevalent than a research-oriented entrepreneurialism at the collective, departmental level.[v] Facing an increasingly competitive internal marketplace for state monies, and with these funds more tightly linked to student credit hour production, many department heads (like the new computer

science head) were looking to increase lower-division undergraduate credit hours by offering courses or programs that were packaged in ways to attract students.

In some cases, prerequisites (e.g., in math) and standards were lowered in order to attract students to what was clearly a lower-quality offering. In all cases when deciding on course and program offerings, the driving motivation was credit hour production, not educational quality. This is not to say that the newer courses lacked all merit; after all, courses can be both attractive and of high quality. Rather, the point is that they were not being designed with the aim of systematically enhancing student learning. Similarly, many departments were developing new undergraduate degree programs, again with the principal focus being on the short-term market, with little concern for students' or society's interests being served. As one geology department head we interviewed stated:

> The whole thing is marketing. The whole thing is how many more bodies do you process. Administrators actually use these terms. The whole revision of the curriculum is to attract more majors.

Some units were also expanding their summer school offerings, again with revenue being the foremost consideration. As one department head put it, "Summer can be quite lucrative. Chemistry 101 is like a fast dentist: It can generate lots of revenue." Concentrating on making more money evades academic considerations concerning what students can handle and learn in these short-term summer courses. This attitude also evades quality considerations stemming from the fact that summer courses were more likely to be taught by graduate assistants and adjuncts who are poorly supported and not integrated into the basic work of the academic programs for which they are generating credit hours. Again, the push for revenue generation was leading academic units to pursue practices for which state policymakers and the public had long been criticizing the university.

Many other units in the sciences were developing "professional master's degrees," targeting students for the business world, since they could afford to pay more (not uncommonly in differential tuition) and have a master's degree delivered to them more cheaply than traditional graduate students. These the-

sis-free, terminal master's degrees were all about tapping into a new market for the specific purpose of generating revenue that would support the more valued departmental graduate programs.

Again, the pursuit of revenue was taking academic units in directions counter to what state policymakers and the public had been demanding for years. Part of the reason professional master's degree programs were cheap to run is because they were staffed by graduate assistants, who were now teaching not only at the undergraduate but at the graduate level as well. Another reason these programs were seen as moneymakers is because universities could charge students more while providing them with less. It is clear that such programs benefit the universities financially; but it is far from clear that business or society at large actually benefit from them.

Not all of the entrepreneurial activity in departments was focused on curriculum. Some units were directly involved in fundraising, particularly focusing on private-sector industries to which their departments were linked. Many colleges, and even some departments, had formed advisory boards on which representatives of key industries as well as wealthy individuals sat. Although these boards served primarily in a fundraising capacity, they also clearly influenced the conceptualization and development of new programs and activities by the academic units. Increasingly, part of the calculus was the consideration of how this will play in the corporate marketplace and whether it will generate new revenue in the short term.

Academic Capitalism in the New Economy in Other Institutional Sectors

Our department head study concentrated on public research universities. But similar patterns of "instructional capitalism" can be found in other sectors of higher education.[vi] Most public universities, for example, are experiencing similar types of market-focused curricular orientation in their undergraduate and master's programs. And less-selective liberal arts colleges are reducing their emphasis on the liberal arts and developing new market and employment-oriented programs, particularly in business.[vii]

In the two-year sector, institutions have pursued the marketplace even more aggressively. The growth area of programs and enrollment is in contract education and certificates that are geared to particular companies and to short-term

employment needs.[viii] As the balance of emphasis shifts to these programs, it shifts away from providing access for underserved populations to the kind of broad-based educational programs that enable them to reach their full potential in the new economy. Ultimately, we all pay a price if community colleges fail to perform this function. Democracy's colleges are increasingly being driven by a focus on servicing the economy and industry, and not just locally.[ix] One remarkable development is the rapid entry of community colleges into the market for international students, eschewing their historical focus on local, underserved populations, largely because they can charge these students much more in tuition than what locals pay.

Along these same lines, in both two- and comprehensive four-year institutions, particularly in the public sector, there is also an increasing investment in distance education at the expense of the underserved. With new information and instructional technologies, there is the promise of increased efficiencies in producing student credit hours. There is also the promise of being able to deliver education to new student markets, particularly to those that are more able to pay. The revenue focus that is central to these activities may well result in diverting attention and resources away from providing access to underserved minority and low-income populations and toward student populations that are more likely to be Anglo, employed and already successful in and served by the educational system. Indeed, reports from the U.S. Department of Education's National Center for Education Statistics point to just this pattern in online education. With this market calculus, the very meaning of "access" shifts to "accessibility." The idea is to make higher education more physically accessible and convenient to employed persons in business, as opposed to enhancing access for those students who face cultural, social and economic barriers to entry.

Again, what is problematic is the shifting balance of emphasis that takes public higher education away from expanding educational and economic opportunities for underserved populations. It serves all of our interests to grow the middle class. But given the ongoing digital divide in American society, the push to deliver education online promises to focus more educational resources on populations that are already part of the middle class, rather than on working- and lower-class populations, in ways that will expand and enrich our economy more broadly.

With the move to expand distance education and online courses and programs, there is an increasing orientation towards generating revenue from educational

materials. In fact, some institutions, such as Columbia, New York University, Temple and the University of Maryland, have undertaken for-profit, online initiatives.[x] Although several of these efforts have failed, essentially going bankrupt, institutions continue to emphasize the market potential of various copyrighted materials, courses and programs. This pattern is evident in the institutional policies of a wide range of colleges and universities, which have become like venture capitalists—investing public monies in the potential benefits of an online industry that has thus far proven even less successful than the dot.com industry. Part of the problem with this activity is the lack of accountability in the use of public monies in what thus far have been high-risk, low-return ventures.

(Re)negotiating Institutional Policies and the Pursuit of Revenue from Copyrightable Educational Materials

The commercialization of copyrightable educational materials has involved a rewriting of marketplace "rules" to facilitate the entry of academic institutions into the private-sector marketplace. Traditionally, it has been typical for individual academics to make their own connections to control the commercial use of their copyrightable educational products, such as books and articles. Under an academic capitalism regime, institutional policies are created to give colleges and universities, rather than individual academics, ownership and royalty claims relative to the intellectual products of faculty and employees.

At the federal level, legislation has been enacted that furthers institutional interests with regard to intellectual property. The Digital Performance in Sound Recording Act of 1995 made illegal the use of the Internet and other new technologies to bypass the music industry, an extension of existing copyright protection laws. The Telecommunications Act of 1996 stimulated the expansion of e-business by deregulating monopolies in both the technology and business realms. The Act fostered cooperation across public- and private-sector boundaries and facilitated the commercialization of copyrightable educational materials. Similarly, the Technology, Education and Copyright Harmonization Act of 2002 modified previous restrictions on distance education and provided colleges and universities with effective encouragement to develop the internal capacity and infrastructure for monitoring and managing the commercialization of copyrightable educational materials.

Consistent with the pattern in federal legislation, recent years have also witnessed a change in—some would argue a relaxation of—accreditation stan-

dards of the various voluntary accrediting associations. This enables and facilitates academic capitalism in the realm of copyrighted educational materials and programs. For example, there has been a shift to an "outcomes" model of assessment (e.g., judging institutional quality on the basis of student test scores) versus "input-based" assessment (e.g., evaluating the institutional structures and processes that promote quality education). Today, the accrediting agencies are placing much less emphasis on requiring institutions to have strong, shared governance procedures, a preponderance of full-time faculty, extensive library facilities or face-to-face instruction; instead, these agencies are concentrating on quantitative measures of student performance, such as minimal test scores and maximum graduation rates. Such changes are, in part, connected to a changing political and professional context; they are also directly related to the lobbying efforts of proprietary universities that simply could not meet the old requirements. These changing requirements facilitate a range of academic capitalist practices, including increased managerial aggressiveness to achieve service and labor cost "efficiencies."

The changes seen over time in federal law and regional accreditation standards are evident as well in the institutional policies and collective bargaining agreements of colleges and universities. We undertook an analysis of the copyright policies of two sets of institutions—non-unionized public and private universities in six states (California, Florida, Missouri, New York, Texas and Utah) and a national sample of over 300 collective bargaining agreements (drawn from the Higher Education Contract Analysis System, jointly produced by the National Education Association and the American Federation of Teachers, but also including contracts bargained by other associations/unions).

In examining the content of copyright policies in both non-unionized and unionized institutions, we found several patterns had emerged that clearly pointed to the increased aggressiveness of colleges and universities in seeking to commercialize copyrightable educational materials. Policies are increasingly incorporating terminology like "work-for-hire" and "within the scope of employment," embedded in the 1976 Copyright Act, terms that extend institutions' ownership claims to the intellectual products of their employees. Some of the most widespread language found in the contracts (three-quarters of those with intellectual property provisions) has to do with "use of institutional resources" in creating the products. Put in the context of the increased emphasis on the use of technology in instruction, such language is critical. More

often than not, there is an underlying equation to the policies: If the faculty member uses institutional technology to create the materials, those materials are then owned by the institution. The idea has an impact on all instruction, not just online courses, because the presumption is that better teaching comes through the use of technology.

The intellectual property policies and collective bargaining agreements also make clear that institutions are increasingly investing in the development of an internal capacity to produce copyrightable educational materials, apart from materials created by full-time faculty. In other words, academic capitalism in the new economy is not just a matter of institutions seeking to commercialize and capitalize on the intellectual products of individual faculty; it also involves bringing new actors (less independent adjunct faculty and professional staff) into the process by which instruction is developed and delivered. That leads us into our discussion of the challenges and choices that are presented to faculty, collectively and individually, with the emergence and growth of academic capitalism in the new economy.

Challenges and Choices for the Academic Workforce

Academic capitalism in the new economy presents significant challenges and choices to academic labor collectively, as well as to individual academics. In particular, we speak to three interrelated features of the commercialization of curriculum in the academy. First, strategic decisions about the development, investment in and delivery of curriculum are being increasingly driven by short-term market considerations—and are made outside the purview of shared governance.

Second, the structure of professional employment on campus is changing in ways that move faculty away from the center of academic decision making and unbundle the involvement of full-time faculty in the curriculum. For example, other professionals (e.g., in teaching centers) are increasingly being identified as "the experts" with regard to pedagogy; the emphasis is on learning, not teaching (making the teacher less central to the process); and the curriculum is being divided into a set of tasks performed by various personnel rather than all being performed by the single faculty member who is developing the course.

Third, commercialization of the curriculum is moving institutions away from a commitment to providing access to underserved low-income and minority stu-

dents and toward an investment in providing convenient accessibility and continuing education to student populations that are not only more advantaged but are already being served in our higher education system. In short, the emphasis is on students who cost less to serve and who can afford to pay more, at the expense of less privileged and historically underserved student populations.

Challenges to the curricular centrality of academics and academic considerations
Academic capitalism in the new economy involves academic managers (particularly presidents and provosts, as well as academic deans) playing a more active role in shaping the curricular configuration of colleges and universities. Such strategic shaping can take various forms. One relatively indirect form of shaping the curriculum lies in a system of budget allocation mechanisms and incentives that involve turning the academy internally into a competitive marketplace for centrally allocated resources. As referenced earlier, this encourages departments to redesign their requirements and curriculum in ways that are driven more by short-term market than by educational considerations. The incentive is to move toward curricular offerings and delivery systems that maximize student numbers and cost efficiencies, even if they are at the expense of educational quality considerations.

Such budgeting mechanisms are part of a "management revolution" in U.S. higher education that seeks to connect more closely with external markets and to move internally toward market-based processes and criteria in allocating resources and evaluating academic units and programs.[xi] With such mechanisms comes greater managerial influence in strategic decision making, resource allocation and curricular change. Moreover, even when academics are involved in academic assessment of programs, market-based criteria are central to the process.

A more direct process by which academic managers shape curriculum is through their decisions about which programs to develop and how they will be delivered. Just as most colleges and universities have experienced institutional restructuring in recent years—with an assessment of existing programs—so too, in most institutions, have academic managers undertaken decisions about creating new programs and about whether to deliver current or new programs by means of unconventional delivery systems, particularly through distance learning and online courses and programs. Even as most higher education institutions in the U.S. experience a degree of financial stress, most are steering

considerable investments to new programs, generally seen as a means by which to tap into new markets and generate new sources of revenue. Those may range from biotechnology in research universities to high-tech occupational programs in community colleges, both of which require significant new capital and monies for added labor costs. At the same time, many institutions are making substantial capital and labor investments in various forms of distance and online education, in addition to technologically mediated, campus-based instruction. A whole range of important decisions in these areas falls outside the purview of academic involvement in shared governance, including decisions about whether or not to use technologies on campus (e.g., WebCT, Blackboard) and to what extent to expand both continuing and distance education. These decisions, like those with regard to the core curriculum of colleges and universities, are increasingly shaped by market considerations, as academic managers (and academic department heads, as we discussed earlier) see these new curricular forms and delivery systems as mechanisms for generating new revenue.

Finally, academic managers increasingly view the intellectual and instructional products of faculty as an added source of revenue. The expansion of distance and online offerings and the undertaking of for-profit initiatives in these realms, speak to the aggressive pursuit of academic capitalism in the new economy—seeking to deliver and capitalize on educational services in a range of markets and with a range of intellectual products. As a result, we are witnessing an increased institutional investment in the development of technologically mediated educational materials.

The changing structure of professional employment

Central to the above-stated processes of commercializing the academic curriculum is an elimination of full-time faculty in their control of curriculum and academic decision making. That de-centering is evident in the dramatically changing structure of professional employment in higher education. It is also evident in the changing conception of how instruction should be produced, with academic managers promoting a model that unbundles the role of faculty. In those institutions where distance and online education are a major focus, this also involves setting up what is essentially a “virtual assembly line” on which faculty members are but one group of many professional specialists involved in producing instructional materials.

In the past 20 years, faculty employment has shifted from being overwhelmingly a full-time position, and on the tenure track, to an occupation in which nearly one-half of the faculty workforce nationwide is part-time, with the majority not being on the tenure track. Of course, in the two-year sector, the proportion of part-timers is much higher, accounting for two-thirds of all faculty members. Lately, attention is being directed toward another growing part of the faculty workforce: so-called "contingent faculty" who may be full-time but are not on the tenure track. Recent research on the newest cohorts of faculty hires has found that most are not on the tenure track.[xii]

What we are witnessing is more than just a short-term managerial commitment to cheaper employees in tight financial times; rather, it is the emergence of a new model of service delivery in higher education. We are seeing a commitment to a new model of employment (part-time) in delivering educational services that matches the so-called "temping" of employees in the broader workforce, particularly in the service sectors of the new economy. Given the almost complete lack of professional protections and provisions for part-time and contingent faculty members and their inability to participate in academic governance—at least in the absence of a union—this shift in professional employment accords substantially greater influence to academic managers in all sorts of curricular matters.[xiii]

A second aspect of the shift in professional employment is the dramatic increase in the numbers and proportion of so-called "support professionals," namely, those personnel with advanced degrees who are neither faculty members nor administrators. As a proportion of the campus professional workforce, faculty numbers have fallen in the past 20 years to what is now little more than one-half of all campus professional employees. In contrast, the proportion of administrative positions nationally, despite all the faculty complaints about the numbers of bureaucrats on campus, has actually remained about the same—around 12 percent. The growth area has been in the increasing number of non-faculty professionals, what Rhoades has called "managerial professionals"—not because they are managers themselves but because they are more dependent on managers and less organized collectively than are faculty.[xiv] With regard to instruction and curriculum, professional personnel are being hired in continuing and distance education programs at teaching and professional development centers, in offices and facilities that are involved in developing various high-tech and multimedia educational materials for their

expertise in the use of instructional technology. In short, various non-faculty professionals are involved in the production and delivery of higher education instruction.

What this changing structure of professional labor reveals is an unbundling of the traditional faculty role. If in the past faculty members designed curriculum, developed the content, delivered the class, did the advising and conducted the assessments, we now see an increasing effort to parse out those roles to other professionals. This is most evident in the case of online and distance education, where we are moving toward the establishment of "virtual" educational assembly lines, with full-time faculty providing the content but non-faculty professionals and part-time faculty playing several roles—from designing the platform and the format for the class, to delivering the curriculum, to providing advice and technical assistance to students, to assessing the students, and to the program as a whole.

In the brave new world of academic capitalism in the new economy, full-time faculty will no longer be the craft workers with control of the entire production process. They will, instead, be piecework specialists. And indeed, the current pay for faculty who develop online and distance education materials and courses is calculated at "piece rate" remuneration. Arguably, we are seeing some movement toward this unbundling even with on-campus instruction. As technologically mediated instructional formats and tools are increasingly emphasized, other professionals become increasingly important in defining the educational space and, indirectly (sometimes directly), in affecting the content. They also come to play a greater role in assessing the quality of faculty work, as in teaching and professional development centers that claim expertise in instruction and instructional innovation.

What is lacking entirely as we move toward this model of delivering educational services is any ongoing assessment of, and accountability regarding, the relative costs of producing instruction in this manner (taking into account growing capital costs and shifting, but not necessarily declining, labor costs) or the quality of this sort of education in terms of the nature of student learning and critical thinking that is valued not only within the academy but by employers and society at large. Ironically, at precisely the time we have established in most colleges and universities serious annual reviews of faculty, we are moving the educational process well beyond the confines of these employees and,

instead, to managers and other sets of professional personnel for whom we have very little in the way of ongoing, annual, serious peer review in terms of the quality of their education-related activities.

From access to accessibility

In our view, moving to the marketplace—and moving toward the increased use of technology in instruction—involves moving colleges and universities away from "access" (for students who are not employed and do not have easy access to good jobs) towards "accessibility" (benefiting the already employed). Partly this has to do with a societal commitment to technological advances as a source of problem solving; however, it also has to do with a (mistaken) belief on the part of policymakers and many academic managers that delivering education with technology will reduce costs.

The two movements work hand in hand to essentially reverse a pattern established over most of the 20th century: a push to increase access for low-income and minority student populations. Interestingly, academic capitalism in the new economy involves the pursuit not of mass markets, but of various privileged, niche student markets, with the effect being to change one of the basic functions of most higher education institutions in the U.S.

In emphasizing market considerations in developing and delivering curriculum, potential revenue generation from new student markets becomes a driving concern. Preferred students become those who are willing and able to pay more for educational services. Institutions are not only raising tuition at rates well above inflation and any increases in household income, they are also charging fees and differential tuition for various programs, as well as shifting to an increasing emphasis on merit-based financial aid for students. As colleges and universities look to increase revenue streams from students and to increase efficiencies in moving students through higher education, low-income students are being priced out of much of the higher education marketplace.

The increased emphasis on technology has a similar effect—for different, but related, reasons. With technology, the very meaning of "access" changes. Access has to do with delivering instruction to those who cannot or do not want to make it to campus at particular times. In practice, it actually has more to do with convenience—for many on-campus students and for working people—than it has to do with spanning great physical distances. So the targeted

populations are disproportionately employed, and in middle-class occupations. Many already have some higher education. And according to national statistics, students taking college courses from a distance are more likely to be Anglo. Who gets left out of the picture? Left out may be the very populations that we have as a country targeted for increased access for over half a century: low-income and minority students. In short, we redefine access in ways that focus on boundaries of time and space (and convenience), directing attention away from cultural, social and economic barriers.

In an academic capitalism in a new economy that focuses on revenue generation and high-tech service delivery, such patterns make sense. But they represent a fundamental role reversal for the overwhelming majority of public and private colleges and universities in the U.S. And they also represent a turning away from one of the most fundamental, democratic purposes of the academy.

Choices for academic labor and for individual academics

In the face of the challenges identified above, academics are—collectively and individually—confronted with important choices about their status relative to the curriculum and to the private marketplace. We consider three interrelated questions that involve various choices: Who controls and what criteria shape academic work? How do we conceive of and reconfigure the production of academic work by professionals? Should academics engage the commercial marketplace, and to what extent, with regard to copyrightable educational materials and curriculum.

Although, in the abstract, who controls the curriculum and what criteria guide strategic decision making are two different issues, in practice we argue they are connected. Academic capitalism in the new economy involves academic managers arrogating more control over the curriculum. And one mechanism for legitimating, and at the same time exercising, that control is to prioritize budgetary, economic and strategic issues in the processes that surround building, investing in, restructuring and de-investing in academic programs.

Confronted with this growing pattern, academics and their units may choose to play the game, jockeying for position relative to other academic units in a game of "academic survivor." They may take on embedded entrepreneurial values and seek an advantage within the context of existing market competition over what academic curricula and which programs will thrive in an increasingly

stratified academy. In the educational entrepreneurial strategies of the department heads, we can see evidence of units adopting one or another of these positions. However, we would argue that to simply play by the well-established capitalistic rules of the game is to cede academic control over the curricula. And to cede the central role of academics to collectively establish the criteria by which the academic program and purposes of the academy are judged is to cede control over the academy's future path.

The path down which we are headed involves a fundamental rethinking of the role not just of faculty but also of professionals generally in the production of academic work. Academic capitalism in the new economy is moving us toward a model of reduced complexity of academic work and breaking down the interconnected activities of professors and the discretion that they exercise in enacting their craft into discrete, delimited parts. It is, in a high-tech world, a reconceptualization of a virtual assembly line in which employees work on separate parts of the whole process. As such, faculty become merely one set of professionals among many. But in this conception, all of the professionals lack a holistic sense of craft.

For everyone involved, professional discretion is delimited by standardized production processes. These production processes are most evident in the case of online and distance education. Confronted with this situation, one typical faculty reaction is to see such changes as occurring on the margins of the academy, not touching the institution's core academic programs. The strategy in this case is essentially to ignore and seek to marginalize curriculum produced in this fashion. Part of this faculty reaction is also to marginalize those managerial professionals involved in the new processes. However, we would argue that to ignore the changes afoot in the academy in terms of the production of education is to ensure that, in the future, faculty will become de-centered and de-professionalized.

We believe that faculty members have a strong professional interest in joining forces with other professionals involved in producing instructional materials. In our view, curriculum should be shaped primarily by professionals acting on the basis of long-term professional considerations as they relate to the needs of clients and of society at large.

Perhaps the greatest threat posed by academic capitalism in the new economy is that it is becoming part of the way we talk about and define ourselves. Many faculty are complicit in the pursuit of academic capitalism. To some extent, this is understandable given lagging faculty salaries. Like academic institutions, we look to generate new revenue streams; to, in some sense, capitalize on our personal production. This is evident not just in the lives of individual faculty, but in the collective negotiations of faculty unions with regard to intellectual property. In the case of copyrighted educational materials, faculty negotiators do attend to the control of the (re)use of materials, at least partly because of concerns about educational quality. But the most common clause in intellectual property provisions of collective bargaining agreements is the one that addresses ownership and shares.[xv] In short, much of the current struggle between faculty and managers is over who gets how much. We see a danger in simply playing according to the rules of the game. That danger is identified by a faculty negotiator in a community college when talking about the intellectual property provision that his team negotiated:

> I guess we are competing in some sense with some big private companies. But the courses should be geared to our students. Our first priority is our students, not to compete in markets.… The minute you get into making a profit, to competing in the market, then you almost change yourself into something you are not.

In our view, that is exactly what is happening in many places—we are changing ourselves into something we are not. And it is our belief that there are some feasible alternatives. We believe that in negotiating intellectual property rights, the interests of the public should receive more attention. What does that mean in practice? It could mean setting aside some of the monies generated—not just for the institution and the creator, but also in a fund that contributes directly in some way to the public interest of the local community in which the college or university exists. After all, some portion of patent royalties are, in some contracts, placed in a "research improvement fund." Why, in the case of copyrighted educational materials, could we not think about establishing a "community improvement fund"?

Another option is to simply say that we will not commercialize the curriculum—period. Nationwide, a few contracts do just that. For example, Oakton Community College's contract has a clause that reads: "Any videotapes or audiotapes made of distance learning courses are for student use, and may not be used for any commercial purpose." In other words, take the educational materials out of the commercial marketplace. Or sell them only at cost. In short, focus our commitment to both educational interests and to the broad public interest.

Conclusion: Republicizing Higher Education

In the world of not-for-profit U.S. higher education, it is common these days to hear of the incursion into our academic jurisdiction of for-profit higher education institutions. Such references are often made as a rationale for leveraging change in academe, particularly in the way we develop, package and deliver our educational "services." The University of Phoenix (UoP) figures prominently in this discourse about the increasingly competitive environment for educational services that not-for-profit colleges and universities now face. One generally encounters in the academy a widespread disdain for the standardized, cookie-cutter model of education provided by the UoP and other for-profit entities, which calls for little critical thinking on the part of either students or instructors. At the same time, however, there is a growing shift on the part of not-for-profit colleges and universities down a path that essentially models UoP's practices. And colleges and universities are increasingly internally driven in this direction, not only by academic managers but also by many faculty who are in some sense complicit in the commercialization process.

These days we frequently read about the external threat to U.S. higher education, represented by profit-oriented businesses. Books like *Steal This University* (2003), *Universities in the Marketplace* (2003), *The University in a Corporate Culture* (2003) and *The University in Ruins* (1996) offer a collective story of this external threat to and takeover of the university.[xvi] The subtext is that the takeover is led by the moral equivalent of the Philistines. Without trivializing the significance of external entities in shaping the academy, our work draws attention to the embeddedness of academic capitalism in the new economy. To paraphrase Pogo, "We have met the enemy and they are us."

In closing, then, we make the case for academics and organized academic labor to call for a "republicizing" of U.S. colleges and universities. What do we mean by that? We mean: reprioritizing institutional decision-making about academic programs. And we would emphasize that the word is "republicizing"—*not* "Republicanizing"—higher education, whether accomplished by Republicans or by Democrats adopting Republican policies. Currently, governmental policies and institutional practices involve making the public space of not-for-profit higher education primarily a domain of market activity. They involve disinvesting in the public interest functions of higher education. They involve demanding accountability for employees, but not for employers and their ventures. And they involve orienting higher education in such a way that it benefits the interests of the few at the expense of the many.

We believe that in place of these policies, faculty and their associations and unions should reprioritize the democratic and educational functions of the academy, in addition to the local economic roles in community development that colleges and universities can play. They should systematically challenge the privilege and success of the private-sector economy that is being mirrored in higher education today, subjecting the increased investment in entrepreneurial ventures to more public discussion and more public accountability. After all, as with the dot.coms in the private sector, much academic capitalism ends up losing revenue and cost shifting to the consumer—in higher education in the form of higher tuitions. We believe that faculty and their associations and unions should redirect attention to just who exactly is benefiting from certain forms and patterns of higher education provision, and in doing so emphasize the importance—particularly during a time in which some states are realizing a new majority population—of expanding educational opportunity for those who have historically encountered social, economic and cultural barriers to entry. In the face of academic capitalism in the new economy, academics and their associations and unions should consider their own participation in this process and begin to articulate new, viable, alternative, paths for colleges, universities and academics to pursue.

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Rhetoric, Reality and Risks

BY FRANK NEWMAN AND LARA K. COUTURIER

According to the authors, the coming of the market to higher education brings risks but also opportunities. Academics must understand that the issue is not whether one wants or does not want market forces to play a role in higher education—they are here. Rather the issue is how to structure higher education to meet society's needs—how to rebuild the unspoken but powerful compact between higher education and the public. —Editors

A Time of Change

This is a time of change in higher education—not only across the United States but around the world as well. Countries as diverse as Austria and Australia, Indonesia and Poland, or China and Denmark are making important shifts in the structure and organization of their higher education systems. Though details vary, there is a remarkable similarity in trends from country to country—namely, a move to shift higher education from operating in the public sector, with significant government support *and* regulation, toward operating in a more market-oriented, competitive mode closer to that practiced by private institutions in the US, with increased reliance on external revenue, more competition for funding and students, and less regulation.

The change under way is driven by a convergence of forces. They include the growing intensity of competition among traditional nonprofit public and private colleges and universities for everything from research funding and athletics to students and their tuition dollars. Another factor is the rapid increase in new types of institutions (corporate and for-profit degree-granting universities, as well as online and certificate programs). A third factor is the impact of technology, as individual institutions try to set themselves apart as innovative users of technology for the stated purpose of making learning more exciting, relevant and specific to their students' needs and skills, as well as more cost effective. As the struggle for funding and prestige escalates, more and more institutions

are reaching out for a global audience through virtual education, foreign outposts and institutional alliances. Finally, we see a growing interest of policymakers in utilizing market forces and the pressures of competition to improve performance and efficiency in ways that regulation has not achieved in the past. This is a trend that is spreading quickly to the far reaches of the globe—what some refer to as the "global rightward shift"—and it has now reached higher education.

Underlying all of this is a fundamental fact of life that should not escape our attention. Policymakers now understand that higher education plays a role of central importance in the success of modern society. For a state, or a country, to succeed in the period ahead, a greater share of the population will need a college-level education. This belief is now widely shared across the globe. Policymakers also understand, however, that this need can't be fulfilled without solving the vexing problem of the inexorable rise in the cost of providing higher education. In addition, success in both economic and civic terms requires that the quality of learning received by this expanding number of students be not simply maintained but, in certain dimensions, improved—hence, the growing interest of policymakers in the issues of quality and cost—what policymakers mean when they raise the question of "accountability."

At the Futures Project: Policy for Higher Education in a Changing World, we have been studying the forces behind the push for higher education toward the market and the efforts at structural changes being put forth in response, both here and abroad. As we gathered evidence on each of the trends, we came to the striking conclusion that we had, in every case, underestimated the rate of change underway and its significance.

This trend to the market in higher education has engendered fierce debate. As the higher education community has become aware of the powerful forces driving this change, the ensuing discussion has been cast in polar terms—the value of change versus the importance of maintaining the status quo, or the creation of the entrepreneurial university versus the essential nature of the proven traditional university. We believe, however, that both sides in the polar equation are, in significant ways, out of sync with reality. A more helpful approach would be to recognize that change (in the form of the market as well as in other dimensions) is coming—in fact, to some degree it is already here. Whether we like it or not, whether we are prepared or not, it has entered the

academic scene. Recognizing this, the task for those of us concerned about higher education is to focus on the potential risks and the opportunities inherent in these changes. How can we minimize risk and maximize opportunity? How can we satisfy both what the universities want and what society needs?

Response to Change: Rebuilding the Compact

What academics must understand is that the issue is *not* whether one wants or does not want market forces to play a role in higher education—they are here. Rather, the issue is how will the market be structured to ensure that higher education will meet society's needs in a world that is changing? Will academic and political leaders work together to carefully design a structure that pre serves what is special and essential to the nature of higher education? Can that new structure improve higher education in areas most in need of improvement? Or will the system, absent any meaningful thought, drift into a market that is poorly planned and lacking in foresight—a system that further erodes the public purpose of our colleges and universities?

The Futures Project has been examining the political and academic communities' response in different countries as they begin coping with these changes. Innovative models for structuring higher education are emerging around the globe. We would be well-served by an open, analytical debate among all interested parties about the values and risks of the differing approaches being taken. There is, in our opinion, a great deal at stake. Universities are not ordinary institutions in society; they are one of society's great inventions and occupy a special place in the functioning of society—a place that cannot be readily replaced by any other type of institution.

Over the centuries, a powerful compact took shape between higher education and the public it serves. As part of this compact, higher education is given great privileges: academic freedom; the right to teach and conduct research as we see appropriate; the right to debate controversial societal issues in an open and evidence-based format; public funding; tax exemption; and, perhaps most important, respect and trust. In return, society reaps great benefits: students learning from faculty who can challenge the conventional wisdom in their field or discipline; universities providing teaching that is not ideologically based; research that can be trusted; and support for many of society's activities, from economic development to the preservation and extension of cultural activities. Universities are seen as above the marketplace, not to be bought or sold. And

in recent decades, the task of providing social mobility has been added to the university's contribution to society. Thus, higher education today is seen as the entry point to middle-class life, an essential part of a democratic society.

However, over the last several decades this compact has become somewhat frayed. Institutions of higher education have begun to worry that public authorities, despite the growth in public support over the last two decades, are about to abandon higher education—at least financially. Political leaders, on the other hand, are worried that these institutions have become more self-interested than public-interested. Add to this the possibility that market forces, unless they are carefully structured, will likely further erode the public purposes of higher education. As experience in many fields has proven, markets are not always focused on public purpose, tending to serve well those with financial resources but to serve those who lack adequate resources poorly. Should this long-standing compact lose its hold on the public's support and understanding of higher education, it would be a huge loss.

Given the enormity of the changes under way in our system of higher education, this compact must be revitalized and reshaped to fit the circumstances that institutions and society are now facing: research and education are more important than ever; learners are more diverse; the need for resources is greater; and the information-based, globalized society is more complex. This changing dynamic means that students need not only a *better* education, but a *different* education.

In considering these issues, it is worthwhile to start by asking: "What is it that each party needs?" "What does society need?" "What do the universities, representing the free pursuit of scholarship, need?" Framing the questions in this way can lead us to a sensible relationship between higher education and the public.

What Does Society Need from Higher Education?

Government, acting on behalf of society, needs a measure of control of the role and mission of its public institutions. While it is clear that this control needs to be exercised in consultation with the universities and colleges themselves, clearly the public has a great stake in ensuring the existence of a diverse array of institutions—each fulfilling particular societal needs, but the sum of which makes a whole system. For example, community colleges, technical institu-

tions, four-year institutions and research institutions individually satisfy a specific societal need, be it for open access, adult education, skills needed by local employers, medical research or any of the other vital roles they fill. But left to themselves, these institutions have shown a strong desire to move toward a uniformity of approach, pushing themselves, step by step, in their quest for prestige on par with the research university. Community colleges want to become four-year colleges. State colleges want to become state universities, then research universities. Yet, this hardly serves the public's needs. If all institutions seek to emulate the research university model, the higher education system will lose its hallmark of diversity and society will lose the institutions that have embraced teaching and access missions. This pressure and the ensuing shift in institutional focus has been under way for some time, leading to a significant increase in institutional cost and a change in the structure of faculty rewards. Faculty time and commitment to teaching diminishes with the increased emphasis on research, leading to, among other results, less student contact with senior faculty.

The government also needs effective measures of accountability aimed at ensuring that those institutions that benefit from public investment perform according to society's needs, with a few key accountability measures being particularly critical. The need for student success in learning, the commitment to providing opportunity for underserved students, and fiduciary responsibility have become so important that governments can no longer afford to take for granted, without independent examination, that whatever goes on at colleges and universities is meeting society's needs. Colleges and universities have been resistant to externally-imposed measures of accountability in the past, such as examination of institutional costs, student assessments and graduation rates. But policy makers have grown ever more insistent on implementing some means of measuring and assuring high performance.

When academic and political leaders work together, accountability methods can be negotiated in ways that are effective and mutually acceptable. Successful cases of negotiated performance agreements can be found at St. Mary's College of Maryland, the Colorado School of Mines, and the North Dakota "flexibility with accountability" legislation. The urgent task is for higher education to be willing actors in these negotiations, or policy makers are likely to force a one-size-fits-all accountability process upon colleges and universities. We in higher education need to recognize that we do not now have con-

vincing ways to demonstrate to policymakers that we are serving society's needs—for example, demonstrating that students are learning the skills and knowledge they need. Rather than simply avoiding a dialogue with policymakers about accountability, a more effective approach would be for the institutions to singly or together create appropriate forms of assessment that also meet the state's needs.

What Does Higher Education Need from the Public?

Universities and colleges, on the other hand, need increased autonomy in some areas. They need flexibility and freedom from bureaucratic intrusion into the daily operation of the institution—what Robert Berdahl, professor emeritus at the University of Maryland, calls "procedural autonomy." They need the right to operate efficiently and to make entrepreneurial judgments without undo interference. They need, as well, the assurance of stable support.

The Risks of a Market

Markets without careful structuring often produce unanticipated and unwelcome effects. For example, markets can create a situation in which institutional competition accelerates, and a "winner takes all" mode of behavior emerges.

To some degree, this is what happened in New Zealand just over a decade ago. The New Zealand government, anxious to dismantle an overly regulatory approach to the economy and to the operation of many social services, began to shift toward a more open and market-oriented approach to many of its public sectors. All levels of public education—elementary, secondary and higher education—were reshaped with this in mind. Universities, for example, were given the freedom to pursue whatever programs they chose. At the same time, private, for-profit institutions were authorized. The result was a growing competitive arena in which some of the better-known and better-financed public institutions, as well as some of the new private institutions, began to cannibalize the less-well-known and less-well-financed (and sometimes less-well-run) public universities. Within a decade, three out of 38, or 8 percent, of New Zealand's public institutions had effectively gone bankrupt, the salvageable parts of the three ultimately merging with other, more stable institutions.

Some would say that an occasional institutional failure is inevitable when markets are introduced, but that the gains are worth the price—that it's good to close a few institutions if they can't compete. However, by way of comparison,

if one were to translate this experience to the U.S.'s higher education system, the equivalent of 135 public institutions in our country would close. Imagine the public outcry. The Futures Project would argue that such a scenario is not necessary. The benefits of improved responsiveness can be achieved without the establishment of a "winner takes all" competition. What is needed, instead, is a system of competition that enhances the performance of *all* institutions so that all of them, except the least well-managed, succeed. The New Zealand government has recently concluded the same thing and is now attempting to rectify some of the flaws in their policies. However, reversing market forces is difficult to accomplish—all the more reason now why careful and thoughtful policy planning is so important.

It might be wise, therefore, to ask, "What are the potential risks inherent in the changes now under way?" What is it that policymakers and institutional leaders alike should be examining to prevent the down sides of the market from surfacing?

Will Autonomy Equal Less State Support?

One issue that has been raised—repeatedly—is the danger that greater autonomy from the state will in time lead to less fiscal support. As public institutions become more independent, closer to resembling their private university counterparts, will state governments feel less of an obligation to provide financial support? Will states leave the financing of higher education to families and students? To some degree, this did happen in the case of New Zealand: After being given the autonomy to do so, the public institutions quickly raised tuition to significantly higher levels, while government support decreased. It is hard to see, however, whether this was a function principally of moving toward market forces or, instead, part of a much broader move toward the introduction of tuition across the globe. Country after country that traditionally provided free higher education to an elite group of students has begun introducing some form of student fees—Germany, the United Kingdom and Australia being only a few of the examples.

The experience of the U.S. higher education system would indicate that the movement toward greater institutional dependence on family financing—i.e., higher tuition—cannot be blamed on growing autonomy from the state and a resulting reduction in the commitment of the state to provide financial support. In this country, tuition and other forms of student fees have been rising

steadily, sometimes sharply, for 40 years. But during this four-decade period, state support of higher education has grown in parallel—even on a per-student, after-inflation basis—with the exception of those few years during which serious recessions have either leveled or actually reduced state appropriations. This was certainly the case in 2003, as a number of states grappled with their worst state budget deficits in a long time.

Higher education in the United States over the last two decades has not exactly experienced what is often portrayed (i.e., colleges and universities, starved by their respective state governments, desperately searching for new revenue streams in order to survive). Rather, this is a story of institutional success in finding, and spending, more and more money—more in state support, more in family support, more from fundraising and more in research dollars—with the result being that institutions, instead of using the added revenue to rein-in tuition increases, have undertaken even more activities.

In many states today, autonomy is being proposed as a substitute for funding. In Texas and Oklahoma, for example, state institutions received autonomy over tuition-setting in 2003. But this is not happening because the states are unwilling to fund higher education; rather, it's because at the moment they are unable to fund it. The extreme example—indeed, an anomaly—of a policy-maker offering autonomy to colleges and universities primarily for financial reasons occurred in South Carolina in December 2003, when Governor Sanford announced a proposal to allow public institutions to privatize as "a way to give certain schools the flexibility they want while saving the state money at the same time." But even this proposal is widely seen as posturing by the Governor and was described by the Governor's own spokesman as a "'tactical' move designed to foster discussion on how best to target higher education resources."

Tuition and fees on the rise

In looking ahead, there is no question that as states propose sizeable increases in enrollment in order to meet the new demands on our economy and civic life, state governments will turn toward student funding (that is to say, toward higher tuition and more fees) to pay for part of the cost of higher education. Is this good or bad? Surely students should pay some of the cost, but how much is too much? Is there a danger that tuition might have already risen too high in the United States? Hasn't this resulted in decreased access and excessive debt

for low-income students? These are serious issues that deserve intense public discussion.

This same discussion about "user pays" is going on elsewhere in the world—often with even more intensity than in the United States. In Europe, the movement from no tuition to paying a small fee is raising deep concerns within society, and particularly among students who, once admitted, have been given a free ride and are reluctant to give up their privileged position. The need to spread access to a broader share of the population, however, is forcing governments to change these policies. If one looks at the experience of the American model, the danger is *not* that states will drive universities toward higher tuition. Rather, the danger is that universities and colleges, having tasted the previously forbidden fruit of tuition increases, will have insatiable appetites.

We are now beginning to see some of the worst side effects of the market. For example, we are seeing increasing pressure to shift financial aid *away f*rom providing opportunity for the less advantaged students and *toward* recruiting "better" students—those who will either improve institutional rankings and prestige, or those who can pay more tuition. Research on the Hope Scholarships in Georgia, designed to keep Georgia's "best" students at in-state institutions, has revealed that most of the scholarship money has been flowing to students who were planning to attend college anyway. So the added money has made it that much easier for reasonably well-to-do students to attend college. However, this scholarship program has not done much to expand the opportunities of those prospective students who would not be able to attend college without financial assistance.

The rise of external revenue sources

Clearly, however, one of the outcomes of this shift toward market forces is escalating interest in external revenue sources. Compared to other countries, American institutions have always excelled at tapping into new sources of funding. Most public institutions in the U.S. depend not only on state appropriations but on tuition income, fundraising, university research and sometimes other forms of income generation such as corporate training. In our opinion, much—but not all—of the push to search for new revenue sources could result in favorable outcomes.

Fundraising, for example, is in general a positive force in terms of the development of a responsive and responsible institution. To convince would-be fun-

ders—whether individuals, foundations or corporations—to provide resources to the university requires a compelling argument as to what the funding will do. While the interests of funders are not a direct surrogate for public need, the concerns of these funders are generally closely related to certain aspects of public need. For example, common fundraising goals often include adding resources to an institution's student aid budget or constructing needed buildings.

Non-traditional students—e.g., part-time, working adults—have proven to be a lucrative market for institutions. The United States has been a leader in the education of older students or non-traditional students who, in other countries, would typically be denied such access. A great many of our universities and colleges tapped into this market because it offered a solid, new source of revenue that could contribute to the overall stability of the institution. Continuing education programs in university upon university contribute a stream of funding to the broader university, thereby channeling funds to departments that cannot easily generate the resources that they need. Here again, the market has proven to be a great success—providing sufficient inducement for institutions to enter into the education of older students, and, in turn, greatly aiding the furtherance of society's growth and sophistication.

Success and danger in the funding of research

University research is another area in which the search for revenue has produced outcomes that have been of great benefit to society. Specifically, our federal competitive, peer-reviewed grant system has proven to be of enormous value in the funding of research, so much so that considerable effort is now being expended in Europe to replicate not only the amount of funding in the American system but the form of funding as well. Today about 26 federal agencies provide research grant funds. The system has proven resistant both to political influence and to the continuous funding of well-established but no longer relevant research efforts (the latter being a major problem that has plagued government laboratories around the world). If the quality of a research team's effort falls, grants are no longer received, the team is disbanded, and new researchers with better proposals take over the funding. The government can alter the general course of research by, for instance, putting more funding into studying cancer or new energy sources or whatever subject the government sees as critical. Nevertheless, individual researchers are, in fact, able to exercise a great deal of initiative. The result is a carefully controlled market for research funding, structured in a thoughtful and workable way.

The growing need to find new research revenue has, however, introduced a danger in the form of a new player in this area: corporate sponsorship of research. Corporations, in return for their support, are increasingly asking for control over such issues as the publication of research findings. Universities, feeling the pressure to compete, have often acquiesced. Now is the time to create a new structure in order to prevent this kind of corruption from further undercutting the objectivity and integrity of university research.

How Far is Too Far? The Drift Away from Public Purposes

At the Futures Project, we've concluded that there is significant value for both the society and the universities in the development of multiple funding sources that are reflective of the growing influence of competition and the market. Having multiple sources will mean greater stability for the university or college, as well as new forms of engagement between the university and the society. The danger, here as well, is of going too far. If the search for new forms of revenue becomes too intense, it will supersede attention being focused on providing service to the public. An interesting example of where this may actually turn out to be the case is the change now under way at the University of Virginia's Darden Graduate School of Business Administration. The Darden School has been increasingly successful in the development of an executive training program that has become both a major source of revenue and a major source of interest to the faculty (who find that they also profit from connections that lead to consulting arrangements). As more and more of the business school's revenue has been coming from external sources such as the executive training program, many have questioned why the business school remains subject to the constraints of being part of a public university. The result is that the Darden School has reached an agreement with the University of Virginia and the state to transition to a private funding model, relinquishing almost all of its public funding and becoming a private business school operating within the public realm of the University of Virginia. Following suit is the University of Virginia's School of Law. Both institutions cite the annoyance of dealing with a volatile and intrusive state government. The problem, of course, is an almost certain loss of focus upon the public needs of the people of Virginia.

The very nature of the university—a nature historically seen as "above the marketplace"—is endangered by the intense and aggressive search for new revenues. There have been, for example, a number of efforts undertaken to create organizations within the university that will sell intellectual property developed

by way of research or instruction. Here again, the danger lies in going too far. The case of Fathom, Incorporated is illustrative. Columbia University set out to create a for-profit entity that would sell the intellectual property found in its course work, library materials, etc. A number of other universities, both here and abroad, joined in the effort. In and of itself, the idea is not necessarily a violation of any academic tradition. However, the difficulty is that if this type of activity becomes ingrained, the ancient tradition regarding the academic world's openness will begin to disappear. Research and scholarship depend on the exchange of ideas among universities. Therefore, if ideas are protected in the name of a potential generation of profit, scholarship and research will dry up and morph into an entirely different tradition. As it turned out, Columbia's Fathom idea was not successful and the entity was shut down. But the problem is still with us.

The patent programs at some of the best-known research universities, for example, serve a public purpose by assuring that the fruits of research end up in commercially-available products (private companies are not likely to invest in the enormous expense of product development and clinical trials unless there is some degree of patent protection as part of the deal). But universities are growing increasingly territorial about their patents and the resulting revenues, acting more and more like secretive commercial outfits.

The market has many potential pitfalls. Searching for revenue sources can be very disrupting. Absent adequate structuring of the market, competition can become destructive. The pressure to compete—unless there are sufficient safeguards—can lead to low quality and a lack of differentiation. All of this argues for great care in the development of the market.

The Opportunities in the Market

With some risk control, markets have positive possibilities as well. Because of the instinctive concern that a market will damage higher education's traditions, the possibility of performance improvement is often overlooked. Already noted is the superb record of American university research, a truly great triumph. It is interesting to note how progressive, performance oriented and quality focused American university research is compared to university teaching, even though exactly the same faculty are involved in both activities. When our system of research was proposed in 1945, university presidents were almost uniformly resistant to the idea, feeling that the competitive forces being

unleashed would prove disruptive and that federal influence over the university would rise. Yet, the success of our university research system is a reminder of the rewards that can come from the proper structuring of a competitive system.

Revealing the flaws in the system

Markets can also help to focus attention on the flaws and weaknesses that exist—those often overlooked in a more bureaucratically structured system. In higher education, there are several examples of performance being less than what is needed by society. An obvious example is the performance of teaching the subjects of math and science. Report after report has demonstrated that the manner in which mathematics and sciences courses are typically taught in the early college years is counterproductive and boring. Even students who have done well in high school often give up their interest in these fields after taking these introductory courses.

As a country, we found a way to overcome this problem—and the resulting shortage of adequately trained students able to go on to graduate-level studies—by recruiting abroad. For decades, many of the top mathematics and science students in Taiwan, China, India and South Korea have come to the United States, often to stay and participate in the great explosion of scientific and technological advancements that our country has experienced. These other countries are now realizing the importance of such students to their own economies and have begun determined efforts to build more attractive Ph.D. programs and to create well-paying opportunities in order to entice graduates to remain at home. Other nations are no longer willing to let these valuable graduates go without a fight. The competitive market for these students has exposed a flaw in the American system's approach to math and science, as Ph.D.s in those fields are steadily flowing from the United States back to their home countries.

Another example of this is in the field of teacher education. For years, school districts have complained that the mode and quality of instruction of teacher candidates have not been adequate for the increasing demands teachers face—as standards and assessment, racial diversity, classroom technology and a host of other new challenges push teachers to approach teaching in new ways. For the past decade, political leaders have joined in this chorus, frustrated that the higher education community seems oblivious to the need for their help in bringing about school reform. Two new trends are now increasing the compe-

tition faced by traditional university-based teacher education programs. First, many large school districts are beginning to run their own programs. Second, a number of for-profit institutions have begun aggressive efforts to recruit and train teacher education candidates, promising programs much more closely linked to the needs of the schools. Here again, the pressure of the market is exposing the very flaws that have repeatedly gone unaddressed in a more structured system.

One of the reasons that this exposure helps to effect change is that it often empowers those people within the institution who recognize the problem and are anxious to bring about change, but who are at the same time frustrated by internal resistance. It also allows institutional leaders and faculty members to raise questions of quality and the appropriateness of the instructional program, in addition to encouraging movement toward solutions. In the absence of the problems being exposed and without the danger of losing the "customers"—that is the students—to other competitive organizations, it is often hard to get the necessary traction for effecting change.

Improving teaching and learning

For many reasons—some noted above—universities need to engage in a serious effort aimed at improving pedagogy. As technology becomes more and more sophisticated, easier to use and less costly, the opportunity to radically improve teaching and learning becomes ever more present. Here again, the power of the market is likely to be influential in helping institutions overcome their natural reluctance to invest the time, energy and risk of failure in trying something new in teaching. Universities will find themselves forced to make changes simply to prevent falling behind their more aggressive and more effective competitors. It is already evident that some of the most skillful users of the latest technologies are for-profit institutions, and the pressure exerted by those institutions will be most helpful in moving the broader university world in the direction of progress.

Structuring Tomorrow's Higher Education System

Here, in summary, is our argument: The market as a mode of organizing higher education is increasing in significance in the United States, in Europe and across the rest of the world. It can be a force for positive change—pushing colleges and universities to assess their performance, correct their shortcomings

and clarify their respective missions. But it can also be a force that undercuts higher education's focus on its public purposes.

Rather than drifting into some unexamined structure or, by our lack of engagement, leaving the field to those of an ideological bent, we need to actively address the need for policies that will structure the market so as to effectively serve the critical public needs.

The changes now under way place three responsibilities on those of us in the academic community. First, the growing importance of higher education and the pressures of the market are revealing those areas where higher education fails to meet society's needs. We have tended to gloss over these deficiencies. The sensible course is for us to openly acknowledge our flaws and begin the never-ending process of improvement.

Second, the market is here, and new policies are needed to ensure that it is structured in such a way that it will both serve society and avoid damaging higher education. We need to join in the debate and help policymakers construct a sensible system—not sit on the sidelines longing for a golden past.

Third, higher education is special, one reason being that it is focused on serving the public. We need to carefully re-examine just what it is that the public does indeed need. We know already that these needs are changing and so, therefore, must we change. And finally, we must commit ourselves to rebuilding and updating the valuable compact between the American public and its higher education system.

Business Forces and the Life of the Mind

By William A. Galston

The author examines some of the market pressures facing higher education, such as instituting more businesslike management, focusing on outputs, eliminating low performing units and seeking corporate funds. Examining the pros and cons of each of these pressures on its own merits, he believes, is the proper way to approach such questions, rather than insisting that traditional academic practice should always trump a market perspective or vice versa. —Editors

The current debate surrounding the impact of the market on higher education is the latest iteration of a long-standing worry. Indeed, the relationship between the life of the mind and its material conditions has never been simple. Socrates criticized the sophists for accepting fees for teaching, and many rabbis of the Talmudic period raised questions about the practice as well. It was vital, they argued, to maintain the dignity and independence of the quest for truth, which the demands of the market threatened to distort. The scholar-patron relationship that dominated the intellectual life of early modern Europe raised similar issues (and fears).

The migration of American scholarship into the German-style research university changed the scope and venue of this tension, but not its essential character. A century ago, Thorstein Veblen charged that business principles were rendering higher education a “merchantable commodity.” A half-century later, in the early 1950s, Richard Hofstadter lamented: “It has been the fate of American higher education to develop in a pre-eminently businesslike culture.” The pragmatic, instrumental understanding of teaching and research, he feared, would inevitably devalue education as a means in and of itself, that is, as advancing knowledge and cultivating worthier human beings.

I offer this brief history not to dismiss or trivialize contemporary anxieties, but rather to place them in the context of an enduring structural tension that we

can manage but cannot hope to abolish. To some extent, the "piper-payers" will always "call the tune." The challenge for contemporary higher education is not to become too dependent on any single patron, while distinguishing between patrons' demands that threaten the essence of the life of the mind and those that do not.

In my judgment, the insistence on the part of trustees, private benefactors and state legislatures that universities conduct their internal affairs in a more efficient and "businesslike" fashion does not necessarily threaten the universities' core mission and can even enhance it. Modern management theories, many of which tend to focus on measuring outputs rather than micromanaging inputs, can help cut through the bureaucratic inertia that so often chills intellectual and pedagogic innovation. And there is no good reason why universities should maintain an elaborate array of internal services if outside firms can perform comparable functions at lower cost. Universities have an obligation to treat all of their employees decently and with respect, but they are not obligated to be "jobs programs."

Somewhat more threatening is the pressure to reduce internal cross-subsidies—put less formally, the "every-tub-on-its-own-bottom" strategy that managers of diversified enterprises increasingly employ. Some valuable academic activities will never be able to pay their own way, while others can do so only by changing their *modus operandi* in ways that will knowingly distort their mission. An example of the former is the study of classical languages and literatures; of the latter, university presses. Few scholarly monographs break even. If the university eliminates external subsidies, presses must either increase their capacity to provide internal subsidies (by bidding for books once reserved for trade presses) or reduce their commitment to low-volume monographs—perhaps changing what it means to publish them (through electronic or just-in-time strategies).

At the end of this road is the decision to imitate contemporary corporations by eliminating "low-performing" units outright. Numerous educational institutions have already moved in this direction, typically at the expense of the humanities. This move may prove self-defeating, however; many corporate recruiters claim to be seeking the kinds of research, critical thinking and writ-

ing skills that the humanities disproportionately foster. It would be ironic if such market-driven, instrumental considerations ultimately came to the aid of the embattled life of the mind.

More worrisome are decisions provoked by changing sources of funding for higher education. Universities have to seek outside sources of funding such as corporate contracts, faculties rental, and outsourcing to compensate for the unpredictability of state and local support. Such shifts in funding have hit public universities with particular force and have placed a greater financial burden on the students. Students now face less per student funding, a wider cost gap in student aid, and increased pressure to work or borrow more to finance their education.

In addition, as state legislatures steadily reduce the publicly provided percentage of universities' operating budgets, these institutions find themselves increasingly dependent on large research grants; and every dean and department chair knows all too well that large research grants are a mixed blessing. On the one hand, they fund activities that would otherwise disappear. On the other hand, they take senior faculty away from teaching and further erode what is left of the local intellectual community. And as the competition for research funds intensifies, faculty are forced to expend more time and effort in writing grant proposals—at the expense of everything else, including the student.

Along with many others, I am troubled by another key structural consequence of changing funding patterns, namely, the proliferation of public/private partnerships. While the commercial sponsorship of academic research can have some positive consequences (for example, by initiating research that otherwise would not occur), its net effect is negative. Commercial links often lead to secrecy and delay in the sharing of information, which is at odds with the free exchange of ideas, as well as to pressures to distort or suppress "inconvenient" research results. Even when public/private endeavors manage to avoid these clear moral hazards, they tend systematically to underfund public goods, such as basic research, in favor of inquiries likely to yield only short-term results, the value of which can be privately captured.

This shift is more than peripheral. As Eyal Press and Jennifer Washburn have observed, "Traditionally, universities regarded patents as being outside their orbit, generally believing that proprietary claims were fundamentally at odds

with their obligation to disseminate knowledge as broadly as possible." The fact that today "nearly every research university has a technology licensing office" signals a profound shift—and not for the better—of institutional mission and self-definition. [i]

I close on a more personal and rhetorical note—fully realizing the risk of sounding priggish and unworldly. I believe that multiplication of opportunities for private gain (professors owning blocks of stock in the enterprises that are funding their research, for example) weakens the motivations and traits of character that have long been thought essential in the quest for knowledge. If academic research is merely the moon to the corporate sun, if there is no essential difference between the search for truth and the pursuit of gain, then what is to prevent students from drawing the logical consequence and treating education as purely instrumental? And how can universities square the increasing marketization of higher education with the fulfillment of their essential but long-overlooked civic mission? There are no easy answers, but it's time for all who care about the soul of American education to—at the very least—both raise these questions and insist on public responses from those entrusted with the leadership of these vital institutions.

ENDNOTES

[i] Press, E. and J. Washburn. The kept university. *The Atlantic Monthly*, (March 2000) 46.

Research and the Bottom Line In Today's University

By Sarah Bonewits and Lawrence Soley

Citing examples of corporate involvement in university research and decision making, the authors argue that today's university is characterized by a web of symbiotic relationships which may turn them away from other important priorities, particularly teaching. When universities are scrambling for corporate support, the missions that become most important are conducting research that attracts corporate sponsors, developing marketable products and technologies, maintaining and cultivating ties with the private sector, and fashioning imaginative partnerships with corporate patrons. —Editors

Today, public colleges and universities are facing a nearly unprecedented cutback in state funding resulting from the recent recession and lower tax revenues. Even before the current crisis began, however, state funding for higher education was already declining as a share of state budgets. State funding is also declining as a percentage of institutional revenues and as a percentage of institutional budgets. As a result of all this, public colleges and universities around the country have been actively seeking other sources of support to make up for the unpredictability of public contributions. These include sponsored research, licensing agreements, telemarketing, credit cards, capital campaigns and more. Data show that university revenues from outside sources increased by 155 percent between 1992 and 2000.[i]

There is no doubt that this revenue-generation strategy has led to an increase in institutional budgets. Even though state funding has declined, general revenues and expenditures for public universities have increased in current dollars over the last 25 years.[ii] This trend is particularly noticeable at research universities. Proponents of corporate funding suggest that the monies resulting from private contracts have a beneficial effect on the overall university because the revenues and overhead of sponsored programs allow universities to finance non-subsidized academic programs, although some recent analyses have called this claim into question.

This paper will look at examples which suggest that public colleges and universities, particularly research institutions, are becoming permeated with corporate involvement—involvement which is likely to shape the research conducted on campus, the content of the academic curriculum, the university's staffing patterns and the way it makes decisions. We perceive a growing "bottom line" mentality in higher education. At the same time, we want to make clear that it is beyond the scope of this paper to systematically chart the causal relationships between specific corporate-related activity and university practices. We invite further research that explores the corporate vs. quality debate in college and university programming.

The University of Michigan

We begin at a major public university with two very different examples of academic practices—the vigorous promotion of corporate research support on the one hand and the de-valuing of classroom instruction on the other.

The Preferred Place of Sponsored Research

The increased focus on research and corporate ties on campus is reflected dramatically at the University of Michigan. The University's research budget increased five-fold during the last two decades, going from $89.0 million in 1980-1981 to $499.7 million in 1999-2000. In addition to obtaining traditional research grants and contracts as part of this increased emphasis, the University of Michigan opened an array of research centers funded by, and conducting research for, public and private sector institutions. These include the Center for Venture Capital and Private Equity Finance, the Transportation Research Institute, the Automotive Research Center, the Tauber Manufacturing Institute, John M. Olin Center for Law and Economics, and the Samuel Zell and Robert H. Lurie Institute for Entrepreneurial Studies. These centers provide seed money for research, pool the talents of professors and provide secretarial assistance for affiliated faculty, making it easier to write articles and proposals for corporate and government funding.

In one sense, corporate-sponsored centers may not appear very different from other, more traditional university centers that concentrate, for example, on a particular academic specialty or ethnic studies. Problems may arise, however, if the center is based more on furthering the benefactor's ideological agenda or achieving a profitable outcome for the funding source, rather than furthering sound scholarship that can withstand professional review.

The John M. Olin Center for Law and Economics at Michigan is just one of many university centers and programs across the United States funded by the politically conservative John M. Olin Foundation. The Center promotes a conservative legal philosophy called "law and economics," as do similar Olin-funded programs at the University of California at Berkeley, the University of Virginia, and the University of Chicago. Kevin Phillips, a Republican critic of the far right, has described "Law and Economics" as a neo-Darwinist philosophy reminiscent of the doctrines of Herbert Spencer, preaching that commercial selection processes in the marketplace could largely displace government decision making.[iii]

We are not arguing that conservative philosophies have no place in higher education or that this particular program has no academic value. We do argue, however, that programs like the law and economics projects—promoted with research grants, underwritten seminars and funded courses—show how easily university research, even programs of instruction, can be swayed by hefty grants and contracts.

Research universities in other states are following a similar pattern of taking on research that seems based less on a scholarly agenda than on promoting their funder's agendas. The University of Maine at Orono houses the Lobster Institute, an industry-funded center that "identifies practical problems of concern to the industry and seeks solutions to the problems." The computer-industry-funded Center for VDT and Health Research at Johns Hopkins University conducts research on repetitive stress injuries in a way, according to at least one observer, that "tilts toward studies that investigate the role of 'psychosocial' factors, such as on the job stress," rather than factors related to equipment problems.[iv]

The University of Missouri at Kansas City houses the National Center for Responsive Gaming, a research center funded by the gambling industry. The Center sponsors research and conferences exploring the genetic or chemical basis of compulsive gambling, but according to Bernie Horn of the National Coalition Against Legalized Gambling, the center steers research "into areas that can't hurt [the industry]."[v]

To attract corporate grants and research contracts, other research centers at the University of Michigan, such as the Center for Venture Capital and Private

Equity Finance and the Transportation Research Institute, admit that their *raison d'être* is to advance the interests of business. The Center for Venture Capital and Private Equity Finance reports that it conducts "research, teaching and involvement with practitioners. . . to encourage the channeling of equity capital to build companies, and to harvest and recycle capital in new, emerging fields of opportunity." In addition to the University, the center defines its constituents as "entrepreneurs and owner/managers of fast growth-oriented companies" and "venture capital and private equity investors, oriented to equity-based financing for entrepreneurial firms at all stages of growth. . . "[vi]

When it comes to corporate ties and grants, the Transportation Research Institute is one of the University of Michigan's crown jewels. The institute has a staff of more than 150 people and an annual budget exceeding $13 million, which comes primarily from government and automobile manufacturers and suppliers. The University of Michigan's alumni magazine, *Michigan Today*, acknowledges the university's close ties with the auto industry.[vii] Again, the research conducted by industry-focused centers and institutes may (or may not) be of high quality. However, since the motivation behind projects like these is to achieve profitable results for particular industries or companies, while using university money, we believe they should receive very close scrutiny by the academic community.

The Lower Priority of Instruction and Instructional Faculty

As we noted earlier, one of the arguments for university-based corporate research is that the funding derived from this activity benefits the university as a whole. That presumed effect, however, is not reflected in the conditional status of instructional faculty at the University of Michigan. As research at the University is thriving on outside funding, there seems to be a decline in the priority placed on instruction at the institution.

This declining priority is exhibited by the proliferation of part-time/adjunct professors hired in place of full-time tenured faculty. Part-time faculty, along with graduate employees and full-time (but non-tenure track) lecturers, are increasingly responsible for carrying out the instructional mission of universities, often teaching as many or even more courses than full-time tenured professors. However, part-time faculty are typically denied the salary, office space and other benefits accorded to the full-time research faculty.

Recently, part-time faculty at the University of Michigan voted to collectively bargain, selecting the American Federation of Teachers as their union.[viii] The unionization vote was important because part-time professors represent an ever-higher percentage of the faculty at the University of Michigan, as they do at most universities. At the University of Michigan, the number of full-time

TABLE 1: University of Michigan Faculty

	1980-1981		1999-2000	
	full-time	**part-time**	**full-time**	**part-time**
Literature, Science and Arts	781	113	694	425
Other Schools	301	55	223	163

SOURCE: *American Universities and College, 12th and 16th editions.*

professors has declined while the number of part-time professors has increased over three-fold since 1980-1981 (Table 1).

Plainly, we can see that there are winners and losers in a university increasingly dependent on outside sources of funding—research faculty who bring in corporate dollars are the winners while the teaching function has a lower priority. More important, it appears, are the missions of conducting research, developing marketable products and technologies, maintaining and cultivating ties with the private sector, and fashioning imaginative partnerships with corporations.

Corporate-Sponsored Faculty

Research professors who are successful can also be rewarded with highly paid endowed chairs, in addition to center appointments. The University of Michigan's corporate chairs include the Ernst & Young Professor of Accounting, the Charles R. Walgreen, Jr. Professor of Pharmacy, the S.S. Kresge Professor of Marketing , and the Sparks Whirlpool Corporation Research Professorship. Most universities have similar executive or corporate-funded professorships.

California State University Northridge's history department is home to the Whitsett Chair of History, an endowed professorship named for William Paul Whitsett, a San Fernando Valley real estate developer and chairman of the Metropolitan Water District who died in 1965. The professorship is funded by

Whitsett's heirs through the W. P. Whitsett Foundation, which initially asked that the Whitsett professor have "an understanding" of the late developer's beliefs in individualism, personal discipline, faith in God and devotion to community and family. "These are the traits we wanted to perpetuate," said Eleanore Robinson, a Whitsett heir and foundation board member, about the endowed chair. Although University administrators who negotiated with the Whitsett Foundation initially agreed to the request, it was later dropped when a majority of professors in the history department, who were kept in the dark about the contents of the agreement, publicly complained.[ix]

This is part of a trend. Often, contracts with outside funders are drafted by administrators, lawyers and those providing the funding, and faculty are kept ignorant about the terms of the agreements for as long as possible. For example, at the University of Wisconsin at Madison, administrators publicly extolled the benefits of an agreement reached by the University with Reebok, but were silent about the agreement's Orwellian clause stating that the "university will not issue any official statement that disparages Reebok. . . [and] will promptly take all reasonable steps to address any remark by any university employee, including a coach, that disparages Reebok." As at CSUN, faculty complaints forced the university to renegotiate this part of the agreement.[x]

Cases like these are very troubling. True, the faculty was ultimately successful in beating back the unacceptable restrictions imposed by the prospective funding source. However, these cases clearly highlight the need for openness and faculty participation in the grant-seeking and chair-endowment process. One way to accomplish this is to press for the establishment of professor-dominated oversight boards that scrutinize contracts, prohibit restrictions on the dissemination of research findings, and establish policies concerning the securing of research funding. Another would be to require that a percentage of all research dollars entering the university be earmarked for noncommercial research projects.[xi]

Federal and Corporate Grants to the University

Despite cuts in many domestic programs, federal dollars for research have actually increased during the past decade, even during President George W. Bush's administration. For example, federal research funding rose from $78.66 billion in 2000 to $111.59 billion in 2003.[xii]

Increasingly, these monies are devoted to encouraging university/business partnerships. For example, the U.S. Department of Commerce's Advanced Technology Program (ATP) funds the lion's share of the research costs for companies conducting risky and innovative technological research on university campuses. The ATP's appropriation in 1999 increased to over $203 million, up from $192.5 million in 1998.[xiii]

Although not earmarked for specific corporations like ATP grants, much research funding from the National Institutes of Health and the National Science Foundation that goes to universities also winds up benefiting corporations. This is because Congress in 1980 passed the Dole-Bayh Act, also known as the University-Small Business Patents Procedure Act, which allows universities to license to the private sector research discoveries made with federal grants. Sometimes this can be a bad deal for taxpayers, especially when the licenses are issued on an exclusivity basis, allowing the company to charge monopolistic prices for products, such as newly-developed drugs.

The benefits that corporations obtain from federally-funded research may explain why, after several Republican budget cutters suggested that funding for scientific research be cut in 1996, university representatives and executives from pharmaceutical and biotech companies, including Biogen Corp., Bristol-Myers Squibb, Chiron Corp. and Pioneer Hi-Bred International, met with then-House Speaker Newt Gingrich to collectively lobby against the cuts. After the meeting, Gingrich wound up backing a $175 million *increase* in funding for the National Institutes of Health, rather than the proposed cut.[xiv] Compare this to funding for the national endowments for the humanities and the arts, which suffered repeated cutbacks from Congress over the past ten years.

Federally-funded, as opposed to corporate-funded, research generally comes with fewer restrictions concerning the dissemination of findings. By contrast, a study published in the *New England Journal of Medicine* reported that the majority of companies signing research agreements with universities require that the findings be "kept confidential to protect [their] proprietary value beyond the time required to file a patent."[xv] Under the terms of a financial agreement with biomedical executive Alfred Mann, the University of Southern California has agreed to withhold publication of research findings for six months or more, three times longer than allowed for federally-funded research.[xvi] Some contracts even give corporate sponsors veto power over

publication of the over research they funded. Professors at the University of California San Francisco, the University of Toronto and Brown University had to beat back corporate attempts to halt the release of research results because of secrecy agreements in contracts.[xvii]

Corporate-Style Decision Making

Nearly all governing boards at universities are dominated by corporate CEOs, Wall Street attorneys and politicians. From prestigious private research institutions such as Columbia University to smaller private universities like the College of St. Thomas in St. Paul, boards are dominated by business executives. The situation is not much different at public universities. Typical of public university governors is the board of trustees of the California State University system, which includes executives from Pacific Family Investment Co., two real estate firms and Pantronix Corporation.

Corporate involvement on boards of trustees is not a new phenomenon, but over the last thirty years a new crop of corporate leaders has proven to be more assertive in directing university curricula and research in a business-oriented direction. This trend began in the 1970s, when many conservative corporate executives became alarmed at what they perceived as an anti-business bias on college campuses.

Hoping to reverse this trend, they began "investing in a variety of academic projects, including professorships of free enterprise, executive-in-residence programs, faculty business forums, direct support for students and company designed courses". The purpose was to make the campus more hospitable to business ideas because, as Alan Greenspan observed, "What is being taught in the universities today will be the generally accepted concept ten years from now." [xviii]

With government funding becoming more precarious for state institutions, we have already seen how successful corporations have been in bringing money onto campuses for business-oriented research, centers and endowed professorships. Anecdotally, many higher education observers have noted the increasing tendency of boards of trustees to pick university presidents and administrators with a business background, often in place of an academic background. It is commonplace today to hear university presidents referred to a CEOs.

Inevitably, this mindset is affecting the way in which universities are managed. This tendency was represented in the lead story in the October 2000 issue of the *American Association of Higher Education Bulletin*, which read: "Leading Colleges and Universities as Business Enterprises: Six CEO lessons for success."[xix] This approach is even extending to curriculum decisions. For example, faculty members who work in the humanities or liberal arts disciplines (not generally funded through government or corporate contracts) are increasingly charged with justifying their expense through the full-time equivalent enrollments of their classes. In 2001, Ohio State University (OSU) revealed a new "game show-like" system in which all academic departments will compete for resources.[xx] Under this system, the most profitable departments are to be rewarded with more resources. The OSU system illustrates a number of trends—the trend away from academic decision making to corporate-style decision making and an emphasis on meeting consumer demand in curriculum, with the risk of educational quality taking a back seat.

Conclusion

Corporate involvement in the university has become pervasive. We are not arguing that research which benefits business is *always* academically unsound, or that trustees from corporate backgrounds are *inherently* bad trustees, or that professors holding endowed chairs are all sell-outs. However, we believe there are reasons for real concern about an academy permeated with corporate influence.

For example, as corporate dollars are funneled into universities, we see the danger of a reduced focus on research that returns dividends, not in dollars, but in human understanding, democratic advancement and social justice. Grants that further a benefactor's political ideology or financial interests should be examined very carefully. Finally, there is cause for concern that the corporate approach to economically useful information—that is, to hold onto it in a proprietary way—could ultimately challenge the academic practice of keeping information open, available and subject to challenge.

In terms of instruction, there is a danger of adopting curricula more focused on occupational success and pleasing student "consumers" than on furthering the liberal arts and intellectual growth. Marketing pressures are positioning education as a product that is sold.[xxi] In this environment, "the teacher produces a product which the customer [student] buys and expects to get what was paid

for."[xxii] This producer-consumer trend reflects part of a larger societal trend that "reconstructs organizations in ways that are commercial and customer focused."[xxiii]

With the proliferation of business-oriented trustees, presidents, administrators and projects, business models of management proliferate as well. This paper has described examples of faculty being bypassed in academic decision making and of an upsurge in corporate-like approaches to accountability. The growing use of part-time faculty, and the poor treatment they receive, is a good example of a practice that might make sense in traditional management terms, but which may, at the same time, be destructive in academic terms. As part-time teachers are marginalized in the university system, shifting the bulk of teaching to these individuals casts teaching as secondary to the aims of the institution. Since most of these part-time instructors do not engage in research, the implication is that research is severed from teaching.

The message in this is that teaching is about a direct transfer of skills and not about discovery and engagement with ideas. As such, faculty have little recourse other than to find ways to define who they are and what they do in terms of the corporate vocabulary of outputs and quantitative measurements.

The challenge for those who value independent scholarship and teaching is to find ways to respond. A number of possibilities were noted earlier. For example, faculty members need to examine corporate contracts with special vigilance, and if necessary, voice their opposition to corporate contracts with little academic value. The university needs to support and sponsor more diverse research. Universities should be asking legislatures to increase support for a wider array of research, rather than lobbying legislative leaders in tandem with corporate leaders only to increase scientific funding. Lastly, just as individual support of core academic principles is important, collective action may be equally if not more important. Organizing for collective bargaining is an effective approach to representing, and simultaneously protecting, faculty in their attempts to maintain a democratic campus. Most important of all, every element of the university community must mobilize to convince the public that higher education is more than an economic machine that should be ruled entirely by the laws of the market.

ENDNOTES

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[ii] U.S. Department of Education, National Center for Education Statistics, Higher Education General Information Survey (HEGIS). Financial Statistics of Institutions of Higher Education surveys; Integrated Postsecondary Education Data System (IPEDS), January 2003.

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[iv] Thelen, J. Science or litigation insurance? Computer firms fund injury studies. *Texas Lawyer* (June 12, 1995) 8.

[v] Wheeler, D. L. A surge of research on gambling is financed in part by the industry itself. *Chronicle of Higher Education* (March 5, 1999) A17.

[vi] See "About the Center: Our Mission" on the Web-site of the Center for Venture Capital and Private Equity Finance: http://www.umich.edu/~cvpumbs/.

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[viii] Full-time faculty off the tenure track was also included in this unit.

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[xvi] Weiss, K. and M. Dickerson. Entrepreneur to donate $100 million to USC, op. cit.

[xvii] Hotz, R. L. Researchers denounce sponsors' secrecy clauses. *Milwaukee Journal Sentinel* (May 31, 1999) G1; King, R. T. How a drug firm paid for university study, then undermined it. *Wall Street Journal* (April 25, 1996) 1.

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[xix] Rezak, W. D. Leading colleges and universities as business enterprises, *AAHE Bulletin* (2000) 53, 6-9.

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[xxii] Trow, M. Managerialism and the Academic Profession. Berkeley: Institute of Governmental Studies, University of California, 1993, 15.

[xxiii] Du Gay, P., and G. Salaman. The cult[ure] of the consumer. *Journal of Management Studies* (1992) 29, 615-633.

The Uneasy Relationship between Business and the Humanities

By Frank Donoghue

The author offers an historical perspective on the relationship between academics and business in determining the appropriate focus of higher education. Citing sources as varied as Andrew Carnegie, Thorstein Veblen and Upton Sinclair, the author demonstrates that the current debate between industry and the humanities is not unprecedented, but rather constitutes a centuries-old pull and tug. The author discusses how humanities scholars can position themselves for future challenges. —Editors

Writers both on the right and left of the political spectrum see a "crisis" today in higher education. Each side sees the other as dominating higher education—and ruining it. As defined by those on the right, the crisis has been brought on by a new generation of "tenured radicals"—professors who dominate higher education and use their positions of influence both to inflict on students a body of coursework that has no relevance to the real world and to convey subversive messages about American society and its economic structure. This argument was rehearsed in a cluster of attacks on higher education following former Secretary of Education William Bennett's 1984 government white paper, *To Reclaim a Legacy: A Report on the Humanities in Higher Education*. Following Bennett's paper came Charles Sykes' *Profscam: Professors and the Demise of Higher Education* (1988), Roger Kimball's *Tenured Radicals: How Politics Has Corrupted Our Higher Education* (1990), and Dinesh D'Souza's *Illiberal Education* (1991).

By contrast, those on the left see the crisis as one in which newly ascendant corporate interests are pushing the higher education curriculum in a vocational direction while brushing the humanities and social criticism to the side. Writers in this vein include most of the contributors to *The Politics of a Liberal Education* (Gless and Smith, eds., 1992), *Higher Education Under Fire: Politics, Economics, and the Crisis of the Humanities* (Bérubé and Nelson, eds., 1995),

and *Will Teach for Food: Academic Labor in Crisis* (Nelson ed., 1997). The solution? Both the right and the left call for immediate and radical changes that would eliminate the power and influence of the other side—either the influence of the professorial elite or the influence of corporate-style boards of trustees and decision-making processes.

This essay offers a hopeful corrective to the dramatic, crisis-oriented rhetoric we hear today.

To deem a situation a crisis is to both suggest the presence of new, acute, urgent problems and dangers *and* to hold out the hope that those problems can be solved and the dangers averted through drastic and immediate heroic measures. Applying this term to higher education raises an obvious question, namely, when and how will this crisis end?

My contention is that it is more accurate to characterize what we see today as an ongoing set of problems, a long push-and-tug between competing perspectives in which different interests may be ascendant at different times. If we recognize that the antagonism between corporate America and American universities reaches back more than a century, we are compelled to think of that contest very differently than is usually the case today. We will realize, first, that the terms of the hostilities are the product of a long evolution, and second, that the battle will not end abruptly any time soon.

Thus, the body of my essay is largely a matter of re-discovery, of recovering the salient features of a fascinating historical narrative in which legendary capitalists, famous journalists and academics all play important roles. I wish to show that both attackers *and* supporters of American higher education, particularly the humanities, have actually been arguing in much the same terms for decades, but that in recent years the history of that argument has fallen from view. In their rush to identify crises, those on both sides have too often seen themselves as participants in a debate strictly about current events. As members of every generation do, they've lost sight of their place on a longer historical timeline.

The two turn-of-the-century, pro-academic writers whom I highlight here, Thorstein Veblen and Upton Sinclair, were clearly troubled by the business orientation of colleges and universities in their day—by the enormous influence

corporations had on the policies and practices of higher education. But they did not perceive universities to be poised on the brink of ruin, so their assessment of specific problems is more dispassionate and invites us to consider more systemic, if more difficult solutions.

Early Criticism of the Liberal Arts from Corporate Critics

Let us begin by looking at the turn of the twentieth century, a period when our nation's universities and economy were growing at an unprecedented rate. Driven by booming and largely unregulated industrial growth, America's total national wealth during those years doubled—from $87.9 billion in 1900 to $165.4 billion in 1910, doubling again to $335.4 billion by 1920—and no subsequent increases have ever approached these rates. At the same time, higher education's growth was also exploding. The country's 18- to 24-year-old population attending college rose from 2.3 percent in 1900 to 2.9 percent in 1910, and by 1930 had risen to 7.2 percent. Not until the post-World War II era was there a comparable surge in enrollment. While the number of universities did not grow so vigorously (increasing from 977 institutions in 1900 to 1,409 in 1930), the number of faculty more than tripled—from 23,868 in 1900 to 82,386 in 1930.[i] It was during these decades—although no one acknowledged it in exactly these terms—both attackers and defenders of universities spoke from a position of strength, as reflected in energetic polemics.

A century ago, attacks on higher education came not from journalists subsidized by conservative think tanks (such as the Olin Foundation, which supported both D'Souza and Kimball), but from prominent industrialists themselves. Because they spoke as unapologetic capitalists, they made claims that modern critics of the university would never venture. Andrew Carnegie, the meagerly educated self-made multimillionaire, was perhaps the earliest and certainly one of the sharpest critics of traditional liberal arts education and curricula, the humanities' foreground. He had the following to say in an 1891 commencement address at the Pierce College of Business and Shorthand of Philadelphia:

> In the storms of life are they [traditional graduates] to be strengthened and sustained and held to their post and to the performance of duty by drawing upon Hebrew or Greek barbarians as models. . .? Is Shakespeare or Homer to be the reservoir from which they draw? . . . I rejoice, therefore, to know that your time has not been wasted upon dead languages, but has

> been fully occupied in obtaining a knowledge of shorthand and typewriting. . . and that you are fully equipped to sail upon the element upon which you must live your lives and earn your living.[ii]

Carnegie concludes that "college education as it exists today seems almost fatal" in the business domain, and he starkly contrasts such traditionally educated students, "adapted for life on another planet," to "the future captain of industry. . . hotly engaged in the school of experience, obtaining the very knowledge required for his future triumphs".[iii] And he lauds the relatively new practice of populating university boards of trustees with businessmen, noting what he perceives to be the intransigence of academics, "professors and principals [presidents] who are bound in their set ways and have a class feeling about them which makes it impossible to make reforms."[iv] Though he allows that graduates of polytechnic and scientific schools have an advantage over traditional apprentices in that they are likely to be "open-minded and without prejudice," he uses that exception to justify his conviction that the only worthwhile education is that which has "bearing on a man's career if he is to make his way to fortune."[v] As a philanthropist, Andrew Carnegie was true to his word: The terms of the Carnegie Trust for the Universities of Scotland (his native country) provide for money for "English Literature and Modern Languages, and such other subjects *cognate* to a technical or commercial education."[vi]

The generation following Carnegie witnessed more comprehensive and systematic critiques of higher education as it then existed. In 1907, Clarence F. Birdseye—lawyer, legal scholar and father of the man who would revolutionize the frozen food industry—published *Individual Training in Our Colleges*. Birdseye, himself a college graduate (who in fact dedicated his book to his Chi Psi fraternity brothers), wrote not to denounce higher education outright, but to realign it with "business principles," which he repeatedly contrasts with "college standards."[vii] Birdseye's central argument elaborates on this opposition:

> If they had to compete with our ordinary business establishments, the colleges would have been long since distanced and bankrupted. They have escaped this fate because, owing to the continuing force of our reverence for a college education, they have never been able to supply their demand, and because they have had an unlimited public

> and private purse on which to draw, which never has asked for an accounting.[viii]

At several points he expresses a wish for a "panic" among our colleges that would winnow the lot of them, forcing the survivors to run their operations with businesslike efficiency.[ix] In the absence of such a radical development, he urges an assortment of remedies consistent with, indeed indebted to, Carnegie's ideas. He advises faculty to imitate "a good manufacturer" who "studies more carefully than almost anything the wastes of his factory and the points wherein he can avoid these. You should learn from him."[x] He also encourages alumni to "help introduce business methods into the work of your alma mater."[xi]

Birdseye extends his rhetoric even farther than Carnegie, though, claiming higher education as a corporate entity many decades before it became commonplace to do so. He states unequivocally that "our colleges have become a part of the business and commercial machinery of our country, and must therefore be measured by somewhat the same standards."[xii] He thus discusses universities in corporate terms, referring to the college as the "factory" and students as the "product."[xiii] He has high praise for the Carnegie Technical School, founded in Pittsburgh in 1900, particularly for its policy of hiring faculty on the basis of extra-academic professional expertise, "men who are in close touch with the ordinary problems of business life, and not merely good instructors in nonpractical courses."[xiv] And his book is also replete with warnings that, unless he has taken a "technical course," the traditionally trained college graduate has undergone an experience that "unfits him for business."[xv]

No one in the early 20th century wrote more ferociously on the topic of college as a waste of time and money than Richard Teller Crane, president and founder of Crane Co. in Chicago, a company that once manufactured 95 percent of the country's elevators and is still part of the S&P 500 today. From 1909 to 1911, Crane published three pamphlets—"The Futility of Higher Schooling," "The Futility of Technical Schools" and "The Demoralization of College Life"—and a book, *The Utility of All Kinds of Higher Schooling,* each expounding on the reasons why he felt "out of all sympathy with educational institutions, so-called."[xvi] Though Crane is not widely known today, his ideas became noteworthy issues in the 1912 presidential election that pitted Yale B.A. William Howard Taft against Johns Hopkins Ph.D. and former Princeton president

Woodrow Wilson. In light of Crane's attacks, the candidates issued a joint statement reassuring the American public that higher education was not "the great curse of the country."[xvii]

The Utility of All Kinds of Higher Schooling collects the results of question naires that Crane had circulated to a large number of university presidents, college alumni and prominent businessmen, and thereafter redacted to suit his own negative outlook. Though he affirms much of what Birdseye had suspected about the tendency of college to unfit men for business, his attack on liberal arts education is far more broadly extended. Crane's method in all of his writings is to praise knowledge of "things worthwhile" at the expense of "impractical," "special knowledge of literature, art, languages or history," and he argues that no man who has "a taste for literature has the right to be happy," because "the only men entitled to happiness in this world are those who are useful."[xviii] He is even unwilling to grant an exceptional place to technical courses, characterizing them as a belated and inadequate attempt on the part of traditional universities to remedy a long-standing curricular problem. In fact, he devotes a whole pamphlet to an attack on technical schools.

Entrepreneurs and their supporters, such as Carnegie, Birdseye and Crane, did not speak unopposed. Career educators, of course, defended college training.[xix] Some fellow businessmen also either came to its defense or implicitly supported its importance. Edward Atkinson, self-educated businessman and inventor of the automatic sprinkler system, recommended college as something for which any young man should "make the utmost sacrifice possible."[xx] At a celebration of the re-opening of the University of Chicago, John D. Rockefeller, who had rescued the university from bankruptcy through the auspices of the Baptist Education Society in 1889, declared it to be "the best investment I ever made in my life,"[xxi] and never meddled in its day-to-day affairs.[xxii] The enduring terms of the anti-higher education rhetoric had been set, however, by Carnegie's speeches and the writings of Birdseye, Crane and others. This rhetoric owes its power to the American public's readiness to accept a monetary bottom line as the irrefutable measure of success of any kind. Crane especially drew on his audience's unquestioning willingness to judge higher education as an investment to be assessed according to its return on the original outlay of money and time. I dwell on this equation, by which "usefulness" means "profitability," to make the point that the model of education business interests have championed for a century is strongly predisposed against the humanities.[xxiii]

Early Academic Critiques of Corporate Influence

Thorstein Veblen recognized the significance of the corporate attacks on the university, which in fact serve as the immediate context of his book, *The Higher Learning in America* (1918). Almost subtitled "A Study in Total Depravity," the book had originally been written in 1904 directly out of Veblen's experiences as a professor at the University of Chicago, yet was published only after his employer, the university's president, William Rainey Harper, had died. Veblen begins by admitting that any study of higher education in his time will necessarily deal with the "consequences which an habitual pursuit of business in modern times has had for the ideals, aims and methods of the scholars and schools devoted to the higher learning," and by further conceding that "those principles and standards of organization, control and achievement that have been accepted as an habitual matter of course in the conduct of business will, by force of habit, in good part reassert themselves as indispensable and conclusive in the conduct of the affairs of learning."[xxiv]

While readers of Veblen have often characterized his hopes for the future of higher learning as naively optimistic, Veblen himself is careful to separate his ideals from his sense of what is likely to happen. His ideal university is "a place of refuge and a place of meeting, confluence and dissemination for those views and ideas that live and move and have their being in the higher learning,"[xxv] He even goes so far as to describe that the pursuit of learning is properly defined as a "species of leisure," a form of activity that has "no economic, and more particularly no pecuniary, end or equivalence."[xxvi] But the governing boards of universities in his day, and their hand-picked administrators, were instead bent on "standardized erudition." While Veblen believes that higher learning is "not readily set out in statistical exhibits . . . and can ordinarily come to appraisal and popular appreciation only in the long run," he acknowledges that the need of "a businesslike showing is instant and imperative," particularly in an era of "large turnover and quick returns." [xxvii] The corporate overseers of higher education thus value the expedient and immediately tangible above all else, even pandering to the popular conception of the university as an "aggregation of buildings and other improved real estate" by their spending more money to improve the appearance of campuses than on any more abstract and purely intellectual needs.

Veblen traces the history of the modern American university from its ecclesiastical roots in the 18th and 19th centuries, when its primary function was to

train clergymen, to the post-Civil War era, during which it became an instrument of the country's business elite.[xxviii] He concludes that the future of higher learning will rest on the resolution, by "adjustment, reconciliation or compromise," of the conflict between science and scholarship, on the one hand, and business principles and pecuniary gain on the other.[xxix] Though he repeatedly insists that these two realms have nothing in common with each other—in particular, reasserting that competition is alien to higher learning yet essential to business—he admits that they are increasingly brought into an uneasy coexistence that can only be harmful to scholarship.

His analysis of the state of higher learning is at its subtlest and most prescient when he writes about the popular sentiment that undergirds business principles and values. There he reluctantly concedes the basic assumption of Crane's screeds. He notes the public's tendency to adduce business success as evidence of wisdom in all areas, including academia—or as he puts it, "the aphoristic wisdom that commands the faith of the business community."[xxx] A cornerstone of this wisdom is an unconditional reverence for practicality and usefulness. This reverence has, in Veblen's view, far-reaching consequences, the most significant of which is the redefinition of learning and instruction as a "species of skilled labour, to be hired out at competitive wages and to turn out the largest merchantable output that can be obtained."[xxxi] Through the prism of the market, the university takes the shape of a large department store, with its "traffic in pageantry and ceremony," its "formal 'openings' to inaugurate the special trade of each of the four seasons, designed to put the patrons of the house on a footing of good-humoured familiarity with the plant and its resources, with the customs of the house, the personnel and the stock of wares in hand, and before all to arrest the attention and enlist the interest of those classes that may be induced to buy."[xxxii]

Veblen's conclusions are as far-sighted as they are discouraging to those who work in higher education. In light of the firm place of business axioms in popular ideology, he sees only two unappealing possible futures for "the common run of academic policy":

> [E]ither a short-sighted and headlong conformity to the vulgar prejudice that does not look beyond "practical" training and competitive expansion . . . or a strategic compromise with the

> elders of the Philistines, a futile doing of evil in the hope that some good may come of it.[xxxiii]

Because such values as practicality and usefulness are taken by the public as a "self-evident principle", even that compromise will be made on the most unfavorable terms, with the ideals of scholarship "yielding ground, in an uncertain and varying degree, before the pressure of businesslike exigencies."[xxxiv] In response to the insistent question from the business world: "What is the use of this learning?" university administrators will be forced to "plead the merits of academic training as a business proposition." This predicament, Veblen adds, will be hardest, almost absurdly implausible, for the humanities, the traditional academic discipline farthest removed from businesslike thinking. Scholars in the humanities will be at great pains to "satisfy the worldly-wise that this learning for which they speak is in some way useful for pecuniary gain."[xxxv]

Veblen's balanced sociology of the academy is at first glance a sharp contrast to Upton Sinclair's more polemical, *The Goose-Step: A Study of American Education*, published in 1923 and written in the exuberantly vicious style now, it seems, employed most aggressively by right-wing critics of the academy: intensely self-righteous and filled with incendiary anecdotes and innuendos. Sinclair's premise is that "men die, but the plutocracy is immortal; and it is necessary that fresh generations should be trained to its service."[xxxvi] The constant regeneration of the plutocracy is, as he sees it, the chief aim of the country's universities, which he then systematically attacks in a 500-page tour de force of muckraking.

His thesis throughout is that America's corporate powers have infiltrated and commandeered the country's university system for their own ends. The battles he describes pit business-minded boards of trustees and university presidents against professors and students. Sinclair's ideal vision of the university comes into focus in a series of oppositions he presents upon examination of the impossibly conflicted role of the college president:

> [A] man who procures money from the rich, and uses it for the spreading of knowledge; in fulfilling which two functions he places himself, not merely in the line of the warring forces of the class struggle, but between the incompatible elements of

> human nature itself—between greed and service, between hate and love, between body and spirit.[xxxvii]

Unfortunately, corporate interests dictate that the college president can only do this job "by being the most universal faker and most variegated prevaricator that has yet appeared in the civilized world." He must explain to businessmen the "eccentricities of the scholar, apologizing for the absurd notion which men of learning have that they owe loyalty to truth and public welfare," and he must beg professors to "realize the president's own position, the crudity of businessmen who hold the purse strings, and have no understanding of academic dignity."[xxxviii] Whenever the president is forced to make a decision, business interests inevitably win his favor, though he always frames his choice as an "administrative matter" that poses no threat to academic freedom.

Sinclair's concentration on the fate of professors, however, reveals just how all-encompassing some saw the restrictiveness of the corporate university to have already become by 1923. He quotes an unnamed professor at the University of Wisconsin who asserts:

> You teach the facts, but you do not interpret them; and especially you do not deal with remedies. You teach details, not vision. You accumulate "learning" in the `narrow sense of that word; raking in the dust heaps of the past, and producing carefully documented treatises about absurdities.[xxxix]

Sinclair calls the state of the university, whose many tacit prohibitions this professor acknowledges, the "World of Hush"—an environment sufficiently repressive as to make extreme solutions such as Crane's unnecessary. Nor does he see a need for "panic" among America's colleges, such as Birdseye awaits, in which whole universities would ultimately vanish: So long as faculty conformity can more or less be guaranteed, the institutions themselves can continue to function without interruption.

Prognosis: Continuing Conflict, No Immediate Resolution

What, then, does this examination of historical material have to tell us about where we are and what we might do? It tells us that the antagonism between an instrumentalist and a humanistic curriculum has been with us for a long time and is likely to stay with us for as far as the eye can see. And it tells us

that, despite this antagonism, changes within American higher education are slow to occur and that neither side has quite succeeded in killing off the other.

The apparent trend toward commercialism

At the same time, it is important to note that the overall trend within the last hundred years has been one of commercially-oriented coursework occupying more and more space in the curriculum. Given that higher education is likely to be seen as ever more critical to economic advancement (both for individuals and the economy as a whole), the overall trajectory of the curriculum in favor of the market is likely to continue over the long haul.

The history I have outlined shows that corporate dissatisfaction with universities *originated* as a dissatisfaction with the liberal arts and humanistic fields of learning. Because the humanities stand as the farthest removed from commercialization within the academy, they have the most to lose as the curriculum becomes more market driven. Partly owing to corporate pressure, these disciplines are far less central to universities today than they were a century ago. Consequently, there is reason for concern that the corps of full-time tenured professors in the humanities, whose exclusion from the corporate world currently guarantees them a great deal of intellectual autonomy, could potentially become an endangered species.

One choice available to higher education—and Veblen, Sinclair and the corporate critics of early 20th Century universities all agree on this—is to concentrate exclusively on practicality and profitability, thinking in terms of academic training as "a business proposition."[xl] One manifestation of this choice looms in the growth of for-profit universities. Today's leading for-profit institutions of higher learning, such as Apollo Group, DeVry University, Corinthian College and ITT Tech, all rapidly expanded and profited despite the stock market decline of 2001-2002. They are the colleges of Clarence Birdseye's dreams, streamlined to exclude the humanities and reoriented according to business principles.

They take a more extreme approach to the compromised image of the American professor, abolishing the term "professor" altogether. In their vast body of promotional literature, one almost never encounters the word. One finds "faculty," "administrators," "facilitators" and "professional staff," but the term "professor" is for them apparently so laden with negative baggage as to be

useless. Instead, faculty are, to use Richard S. Ruch's term, "delivery people"—the facilitators of their students' professional achievements and nothing more.[xli] DeVry University, franchised across the country, features a grand total of three faculty profiles on its Web site. The phenomenon of for-profit universities extends the debate about the future of the American professor beyond the scope of this essay, but that phenomenon is becoming more important every day. Many might argue that Apollo Group's flagship institution, the University of Phoenix, is neither a university nor located in Phoenix; if one concedes both, though, then it is the largest university in the country.

Factors that could slow, or alter commercialization

Fortunately, however, the totally commercialized vision presented above is not the whole picture. In fact, given the picture I've sketched here, one might wonder why the humanities haven't already disappeared from college curricula all over the country.

One explanation turns us back to history once again—to the university's tremendous durability as a social institution. A recent study by the Carnegie Council revealed that 66 institutions have functioned continuously since the year 1530: the Roman Catholic Church, the Lutheran Church, the parliaments of both Iceland and the Isle of Man, and 62 universities.[xlii] Moreover, universities tend to be intransigent and their component departments highly territorial; and it is precisely these qualities that frustrate those who want universities to function like corporations. If usefulness, defined in the most short-sighted and remorselessly pragmatic terms, drives the market model, then the analogous sacred principle within the university is continuity.

Universities, of course, *do* change, but they do so at a glacial pace, making it difficult to answer even the most basic questions: How much should we worry about the market model's incursion into the culture of academia? How imperiled are the humanities right now? One thing is for sure, if the place of the humanities continues to recede, the peculiar institutional character of universities will ensure that it will recede very slowly, or take a new shape, but never disappear entirely.

The ascendancy of the market model does not have to run in a straight line, and alterations in the course of the trend can take place with changing political leadership and also with the power of unionization. Veblen and Sinclair both

noted the curious paucity of organized labor in academia in their time. Veblen notes that, "There appears to be a feeling prevalent among them that their salaries are not of the nature of real wages, and that there would be a species of moral obliquity implied in overtly dealing with this matter."[xliii] Sinclair is predictably more pointed. He likens professors to temperamental "actors," explaining that, "They have their individual idiosyncrasies, their jealousies and personal superiorities. They do not think of themselves as a class; each one thinks of himself as something impossible to duplicate."[xliv]

Recent years, however, have witnessed a great expansion of unionization in higher education in spite of two tremendous obstacles. One is a Supreme Court decision that rendered unionizing in private higher education institutions almost impossible. The other is the fact that nearly half of the country's states do not permit the faculty of public colleges to organize. In places where unionization is possible, the number has mushroomed over the past 30 years to about 50 percent of faculty belonging to unions. Today, over 275,000 faculty and professional staff are organized. So perhaps this could be a counterforce to commercialization of the enterprise.

The picture of commercialism is difficult to anticipate. Unforeseen cataclysmic social changes—the Great Depression, the aftermath of World War II, for example—inaugurated a long period of skepticism about the values and practices of corporate America and a corresponding increase in government support for higher education. That, in turn, made access to college possible for millions. I am not suggesting that we in the humanities sit back in anticipation of the next global financial collapse or military conflagration. We have no way of knowing what macro-political changes await us and how they will affect higher education.

I am suggesting, however, that it is time for humanistic scholars to re-examine the arguments for the humanities, and the practice of the humanities, in changing times. We are all but compelled by the historical record to change the way we talk about our problems, and to embark upon a comprehensive reassessment of both our place within the university and our relationship to the corporate forces that impinge upon it.

The reassessment I envision should be patient and sweeping in scope because we need not worry that the sky will fall tomorrow. This approach will engage big questions of political economy. How are factors such as globalization,

developing technology, the end of the Cold War and the growing class divide in America affecting higher education and the humanities in particular? How should the humanities respond?

Any one of these problems merits an essay all its own. Again, though, I am struck by the continuities with times past. A century ago, figures such as Carnegie and Birdseye championed a more practical, occupation-oriented higher schooling and dismissed the humanities as the vestige of a bygone educational era. In our time, the great increase in the numbers of non-traditional students—working adults who attend college part-time and intermittently—are skillfully catered to by for-profit universities, which offer only occupational majors and downgrade or eliminate the humanities altogether.

What are alternative visions to that of the corporate university? Sinclair's ideal is a university dedicated to humanitarian service. Veblen's defines higher learning as "a species of leisure." Is either view persuasive to a modern audience? It does not seem so at first blush, but we in the humanities should explore the application of these themes today.

At present, the argument most often put forward against corporatism is that learning and the expansion of knowledge are not instrumental but *intrinsic* values that can not and need not be justified in terms of job skills or contribution to the economy. One has to wonder if such arguments are too idealistic to persuade even a neutral audience, let alone one already critical of the academy. However, we in the academy have an obligation to continue to explore how this argument can be put forward, and practiced, in terms the general public can understand and support.

The other argument also deserves continued examination—the argument that knowledge of the humanities and humanitarian values has a direct and positive connection to economic success. Many academics shy away from an instrumental argument, but as we noted earlier, this line of thinking has attracted support from important elements of the business community and should be part of the mix.

Finally, we should re-examine how we conceptualize the role of the intellectual and scholar. Observers on both the left and the right have made the case that the public stature of intellectuals in America has eroded over the course of the

last half century. In a Pulitzer Prize-winning book published in 1962, Richard Hofstadter argued that the tendency toward anti-intellectualism, always present in American life, began gaining new momentum in the 1950s. Writing from a different ideological perspective a generation later, Russell Jacoby lamented that the public intellectuals were gradually being supplanted by academic specialists whose opinions never extend outside their disciplines.[xlv]

In the view of many, academics occupy a dubious social niche, characterized by inscrutable customs and practices: tenure, esoteric research, suspiciously short work hours, and worse.[xlvi] Correcting these stereotypes and restoring our public image must be part and parcel with our continued efforts to organize. I've already noted that even the adamant defender of the humanities, Upton Sinclair, found himself exasperated with professors for dwelling on their "individual idiosyncrasies" and "personal superiorities," and for refusing to think of themselves as a class. He cited these as the key stumbling blocks to comprehensive unionization. A rigorous self-assessment of how we do our work and how we present ourselves and our work must be part of our collective efforts.

ENDNOTES

[i] U.S. Department of Commerce. *Historical Statistics of the United States, Colonial Times to 1970, Part 1*. Washington, D.C.: U.S. Department of Commerce, 1976, 255, 383.

[ii] Wall, J. *Andrew Carnegie*. Pittsburgh: University of Pittsburgh Press, 1989; New York: Oxford University Press, 1970, 834-835.

[iii] Wall, 835; Lucas, C. *Crisis in the Academy: Higher Education in America*. New York: St. Martin's Press, 1996, 144 .

[iv] Wall, 835.

[v] *Ibid*, 835.

[vi] *Ibid*, 837; emphasis mine.

[vii] Birdseye, C. F. *Individual Training in Our Colleges*. New York: Macmillan, 1907, 156.

[viii] Birdseye, 187-188.

[ix] *Ibid*, 189, 367.

[x] *Ibid*, 364.

[xi] *Ibid*, 370.

[xii] *Ibid*, 189.

[xiii] *Ibid*, 363, 189.

[xiv] *Ibid*, 266.

[xv] *Ibid*, 273-274.

[xvi] Crane, R. T. *The Utility of all Kinds of Higher Schooling*. Chicago: The H.O. Shepard Co., 1909, 3.

[xvii] Garraty, J. A., and M. C. Carnes. *American National Biography*. New York: Oxford University Press, 1999, 674.

[xviii] Crane, R. T. *The Futility of Higher Schooling: An Address to College Students*. Chicago: The H.O. Shepard Co., 1911, 5; Crane, 1909, 106.

[xix] See in particular Canfield, J. H. *The College Student and His Problems*. New York: Macmillan, 1902 and Cooper, C. S. *Why Go to College*. New York: The Century Co., 1912.

[xx] Wall, 835-836.

[xxi] Nevins, A. *Study in Power: John D. Rockefeller, Industrialist and Philanthropist*. New York: Charles Scribner's Sons, 1953, 194.

[xxii] Upton Sinclair (1923), who believed the University of Chicago served primarily as a showpiece for Rockefeller, has a more negative interpretation of his apparent magnanimous disinterest: "Soon after the University of Chicago was built, the oil king's digestion gave out, and he retired to the country to live on graham crackers and milk and play golf all day. The job of turning his two hundred millions into two billions was left to his efficient subordinates, and they were not much interested in the old man's advertising ventures, so that the university was left to run itself" (p.243).

[xxiii] For the continued influence of this set of assumptions, indeed an argument nearly identical to Crane's, see Bird, C. *The Case Against College* New York: David McKay, 1975.

[xxiv] Veblen, T. *The Higher Learning in America: Memorandum on the Conduct of Universities by Business Men*. B.W. Huebsch; New Brunswick, N.J.: Transaction Publishers, 1918, 3-5.

[xxv] Veblen, 38.

[xxvi] *Ibid*, 85.

[xxvii] *Ibid*, 64.

[xxviii] A very different perspective on Veblen's historical account is Birdseye's observation that colleges operated most like efficient businesses in their early- and mid-19th-century

clerical period, "when they were governed and taught by clergymen in expectation of making clergymen." Neither Veblen nor most present-day observers think of the university as reverting to the status of occupational training ground.

[xxix] Veblen, 35.

[xxx] *Ibid*, 53.

[xxxi] *Ibid*, 85.

[xxxii] *Ibid*, 116-117.

[xxxiii] *Ibid*, 176.

[xxxiv] *Ibid*, 139,145.

[xxxv] *Ibid*, 146.

[xxxvi] Sinclair, U. *The Goose-Step: A Study of American Education*. Pasadena, Calif: Published by the author, 1923, 27.

xxxvii Sinclair, 383.

[xxxviii] *Ibid*, 386.

[xxxix] *Ibid*, 398.

[xl] Veblen, 146.

[xli] Ruch, R. S. *Higher Ed., Inc.: The Rise of the For-Profit University*. Baltimore, Md.: Johns Hopkins University Press, 2001, 118.

[xlii] Damrosch, D. *We Scholars: Changing the Culture of the University*. Cambridge, Mass.: Harvard University Press, 1995, 18.

[xliii] Veblen, 118.

[xliv] *Ibid*, 458.

[xlv] Hofstadter, R. *Anti-Intellectualism in American Life*. New York: Vintage, 1962, Jacoby, R. *The Last Intellectuals*. New York: Basic Books, 1987.

[xlvi] Contemporary fiction adds sexual fecklessness to the list of stereotypical characteristics. Three examples: the professors in Edwin Allen's *Mustang Sally* (New York: W. W. Norton, 1994) and Francine Prose's *Blue Angel* (New York: Perennial, 2001), both men in their late forties, are fired for sleeping with undergraduates. Neither appears to do much teaching or research. The professor in Erik Tarloff's *The Man Who Wrote the Book* (New York: Crown, 2000), instead of producing a scholarly monograph, writes a best-selling pornographic novel based in part on his own experiences.

Profit or Perish: Today's University Presses

By Willis G. Regier

The core mission of most university presses is to publish and disseminate scholarship, but the quality of scholarship is only one criterion for success as university presses face pressure to achieve a strong bottom line. All too often, the perceived sales potential of a book is considered equally, if not more important as university presses face mounting pressure to publish profitable books. The author explores the changing clients and practices of university presses, with particular focus on the implications for scholarship and the traditional missions of the presses. —Editors

The first university presses in America were established by the nation's leading universities to advance their work and reputations. Cornell University Press and the University of Pennsylvania Press began publishing in 1869; The Johns Hopkins University Press in 1878; University of Chicago Press in 1891; and the University of California Press and Columbia University Press in 1893. They were soon followed by many others. All published for the same primary reasons: first, to enable university faculty to disseminate their research internationally and second, to establish and sustain high scholarly standards. Professor Marsh Jeanneret, a scholar who has studied university publishing in depth, concluded that "the outstanding feature of a university press book is probably the thoroughness of the editorial preparation accorded the manuscript."[i] University presses have also been appreciated for their ability to keep books in print, for keeping prices down, and for pioneering publication in new disciplines.

Despite these contributions, however, universities—especially state universities—have been reassessing the complicated universe of scholarly publishing and no longer take supporting their presses for granted. Budget cuts have made conspicuous any department that requires a direct subsidy, and traditionally university presses have required subsidies. Many large commercial

publishers are able to make money in scholarly publishing and compete successfully for universities' most honored authors, which has prompted a set of hard questions: Why shouldn't university presses also be able to make money? With libraries running out of space and cash, isn't too much being published? What value does a university press add? What is a university press worth?

Now, as ever, the best answers come from the press's catalog in the books and articles that might not exist if the press did not publish them. The value of a press may not be as finely calibrated as a spectrogram, but it should be obvious in aggregate or examples. The worth of a press is determined by its influence in shaping a discipline, in advancing a discourse, in drawing attention to a university and in improving the work of individual scholars.[ii]

The traditional mission of a university press has been to publish and disseminate scholarship—and the quality of the scholarship has been the measure of the press. But in the past 20 or 30 years, other measures have come to the fore: income, margin and turnover. Precariously balanced on the bottom line, university presses have had to learn to compete in the trade. Harvard goes head to head with HarperCollins, Rutgers wrestles Random House, New England and Northeastern prowl New England, and Texas' five university presses maneuver around the giants of New York.[iii]

In each case, it is an unequal contest. Book publishing is a $26 billion industry in the United States; [iv] university presses account for $326 million, or about 1.2 percent, of that total.[v] Around 150,000 new books were published in the United States in 2002, approximately 10,000 of them by university presses.

It is no easy thing to publish at a profit—and harder still for a university press that tries to fulfill its traditional mission. If deprived of subsidy but still expected to publish academic studies, university presses are then required to sell books that make money in order to publish those that don't. In this situation, the publication of scholarship can seem like a liability. State university presses, especially vulnerable to recent state budget cuts, have felt steadily increasing pressure to make their publishing pay for itself. More and more university presses feel the chill of the threat: profit or perish.

The Complex World of Commercial Publishing

In 2002 alone, more than 10,000 new publishers appeared in the United States.[vi] Those who publish for the trade must confront a sobering statistic:

although the number of publishers has increased, the market is contracting. The publishing industry has steadily lost customers over the past several years; only a lift in both the buying rate and spending by the existing customer base has prevented it from slipping into a negative growth trend. In 1997 over 60 percent of American households bought at least one adult trade book; by 2002 that figure fell to 55.1 percent.[vii] In terms of total books sold, university presses saw their market shrink by 3.1 percent in 1999 and another 4.8 percent in 2000.[viii] Competition intensified as publishers strove to capture what market remained.

The "trade market"

Authors eagerly encourage university presses to enter the "trade market" and are delighted when their book is considered a "trade book" because they understand that a trade book is more likely to show up in bookstores—but precious few understand what a publisher must do to get the book there.

What exactly is a trade book? Simply put, it is a book sold to retailers at a "trade discount," typically about 50 percent of the retail price. For instance, a book priced at $30 but sold at a trade discount would earn the publisher $15 per copy. An average print run for a university press book in 1960 was 2,000 copies;[ix] by 2000, the average run was 1,000 copies. With all else being equal, for 1,000 copies of a book sold at short discount, a publisher must sell 1,400 copies at a trade discount. Since the typical lifetime sale for academic books falls well below 1,000 copies, selling them at a trade discount is often self-destructive.

The trade market complicates the publishing process considerably. The progress of a book from a publisher to a library is plain and simple: A library can buy it directly from a publisher, but more likely via a blanket order to a library wholesaler. Once a book is sold, it stays sold. In this system, the wholesaler is the only intermediary; little can go wrong and costs are relatively low. A trade book, on the other hand, moves from publisher to wholesaler to retailer to buyer—who often is buying the book as a gift for someone else, who may not want it. If unsold at wholesale or retail, books loop back to the publisher as returns. A line becomes a circuit, opportunities for damage and error increase, books that seem to be sold may not be, and transaction costs double and triple.

Concentration of power

How hard is it to compete in the trade market? If the sheer number of publishers isn't challenge enough, market power is heavily concentrated in the hands

of very few. In 2002, five mammoth publishers—Random House, Penguin, HarperCollins, Simon & Schuster, and TimeWarner Book Group— together reaped 45 percent of all book sales in the United States.[x] The same year, these five shared 77 percent of the books on the New York Times Best-Seller List.

Consolidation of the book trade into the hands of a few powerful companies has raised alarm, but little action. Horizontal and vertical integration accelerated in the 1990s, abetting the steep decline in the number of independent bookstores—a trend that has been lamented since the decline began 40 years ago. In 1972, independent bookstores controlled 84 percent of the market; by 1983, shortly after chain bookstores first began expanding, the share fell to 71 percent; and by 2002, their market share had dropped to 15 percent.[xi] As independents disappear, the market power of the chains increases—a power they are happy to exercise by making ever-greater demands on publishers.

While the chains continue to expand, their impact on local economies is not altogether salutary. A study conducted by Civic Economics, a sales analysis firm in Austin, Texas, concluded that for each $100 spent on books at a national chain, only $13 returned to the local economy. The same $100 spent in a local independent bookstore would return $45.[xii]

When the chains began their aggressive expansion programs in the early 1990s, they looked like magicians, making more books more available and more appealing. Thus, the likelihood of reaching the interested buyer markedly increased and opportunities suddenly appeared for selling books to the impulse shopper. The chains bought books by the tens of thousands for their "superstores", seeking to make these stores more attractive by offering the depth and diversity that university press books provided. But by 1996, the bloom fled the boom, and chains began returning large numbers of books that presses had thought were sold or patiently awaiting sale. Chains bought in bulk—and they returned in bulk—and university presses were caught by surprise, suddenly strapped with too little cash and too much inventory.

University bookstores

University bookstores are the traditional markets for academic publications. University faculties everywhere gripe about these bookstores giving better space to sweatshirts and pennants than to books. They should be grateful for any merchandise a college bookstore can sell that will allow it to control its

own destiny. Unbeknownst to most faculty, there has been a huge consolidation of bookstores on the campuses of major colleges and universities, led by the most ambitious of consolidators—Barnes & Noble—which owns and operates the bookstores of more than 500 colleges and universities. Once again, however, this trend to outsource and privatize bookstores has inevitably reduced independent decisions about what books go on the shelves.

Online booksellers

In recent years, university presses have seen their online sales increase, as a percentage of sales, but not at a rate that would compensate for decreased sales through traditional outlets. Independent bookstores have also gone online, but in aggregate, online bookselling poses yet another threat. Able to negotiate high discounts from publishers and, in turn, offering substantial discounts to customers, Amazon.com and BarnesandNoble.com are now major players in the book trade. By selling used books, they further undermine new trade sales.

Niche publishing

For many of the smaller university presses, success and survival depend upon the ability of the press to find or create, then develop and sustain, a niche market. In some cases, the successes have been profound. The University of Oklahoma Press and University of Nebraska Press both began publishing histories of the American West at a time when there was little scholarly interest in the field. The presses at Louisiana State University and the University of North Carolina have done the same with regard to the American South. Their well-established lists flourished when the fields caught on.

Two strategic problems exist within niche publishing. First, as a niche expands and proves to be sustainable, other presses are drawn to it, often bringing greater resources to bear and attracting authors away from the presses who launched them. Second, since the number of books sold from within a niche is all too finite, a press that publishes for a niche can find its books competing with each other. All successful fields are prone to over publication; niche publishing is particularly vulnerable.

Libraries

The academic world clings tenaciously to the fantasy that college and university libraries will buy enough copies of a book or journal to pay the publisher's

expenses. In fact, academic libraries have been increasingly unable to keep up with the pace of scholarly publishing and have been making one hard decision after another. They have had to specialize their collections, rely more on interlibrary loaning, and gradually shift their acquisitions from books to journals and databases.

The Association of Research Libraries reports that between 1996 and 2001, acquisition of monographs (actual number of copies) dropped 5.16 percent.[xiii] From 1996 to 2001, university library expenditures on university press books increased only $6.2 million, while university library expenditures on trade press titles increased $28.4 million.[xiv] The slow, steady deterioration of the university library market directly depletes the traditional income of university presses.

Course adoptions

University presses have tried to take some fraction of the lucrative textbook market by publishing supplementary texts and have tried to make these attractive to teachers by publishing them in paperback.[xv] For a while, numerous university presses were publishing most or all of their new books simultaneously in both hardback and paperback, hoping that some number of them would catch on and be adopted year after year. But again, in the face of high publishing costs this hope has faded like a mirage.

Such collections meet another competitor: course packs—essays and book excerpts photocopied and bound for one-time use.[xvi] Course packs are attractive because they enable teachers to customize an anthology to suit their specific needs. This is a costly benefit: Course packs are notoriously expensive. When a course pack provider is honest, copyright fees are paid and passed on to students. Since the course pack typically changes from term to term, students cannot sell them back and recover some fraction of their investment. However, a sequence of copyright infringement cases makes it clear that a large number of course pack providers are, in fact, not honest, and do not pay copyright fees or acquire permissions, violating copyright and depriving authors of rightful income. Either way, course packs take market share away from published anthologies and collections of essays, depriving publishers of sales and income. “Every course pack assigned is a university press book unsold.”[xvii]

Benefits of the Trade Market

Despite its mists and mires, the trade market is an index of real interest, with real benefits. It exerts discipline on costs and schedule, affecting everything from the cover art and the size of a print run to the choice of paper and type.

Full-page ads in major media may cost the moon, but positive reviews in the same venues shine on happy universities. Whenever the *New York Times Book Review* praises the University Press of Kansas, that praise resounds to the University of Kansas, and to Kansas. The national reputation of the University of Minnesota Press enhances the university's humanities departments. When Duke University, New York University and Texas A&M campaigned to improve their national profiles, they invested promptly and well in strengthening their presses, and pushed their presses more deeply into the trade market.

Success in the trade market is a sign of professional skill and prestige— sales are oxygen, protein, plasma and electricity. "All of the available statistical data point clearly to the overarching importance of the general reader to university press publishers. This channel must be cultivated if university presses are to become more financially viable during a time of reduced institutional subsidies, a stagnant library market and intense competition from commercial academic publishers." [xviii]

Pitfalls of the Trade Market

Prudence and experience warn, however, that serious pitfalls lie before presses entering the trade market.

Author expectations

Authors who wants their books to be trade books want many things: a bragworthy cash advance and royalties, more marketing, more free copies. When an excellent scholar with an excellent book insists it should be a trade book—though perhaps only the author's editor and a few hundred other people could possibly comprehend how excellent it is—an editor who wants to publish excellent work may give in, rather than lose the author to another publisher. Since university presses need to compete in the trade—and the trade market was, "by 1999, the most important segment of university press revenues and unit totals"[xix]—they will sometimes give authors the benefit of the doubt and commit the trade mistakes: publish too many copies of an excellent book, sell it at too high a discount, lose money, then call the book a failure.

Authors want publishers to take risks, advertise liberally, give books to celebrities who might write reviews—go all out to get maximum exposure, even if the costs of getting it would impoverish and endanger the publisher. Because the costs of trade publishing are higher, however, the risks are greater, and money spent on selling books cannot be spent on making them. While trade dis-

counts may lead to more placements initially, they also lead to shorter shelf life. A trade book is not a book for the ages. It needs to succeed within six months or is exiled to the remainder table.

Finally, the trade market encourages the star system, with its nuisances and silliness. It encourages wishful imitation and trendy titles. In 1975, Cornell University Press published Jonathan Culler's *Structuralist Poetics*, and in 1977, published Tsvetan Todorov's *The Poetics of Prose*.[xx] Soon came a parade of "poetics," with titles like *The Poetics of Appalachian Space*, *The Poetics of Gardens*, *The Poetics of Death*, *The Poetics of Decadence*, *The Poetics of Empire in the Indies*, *The Poetics of Old Age in Greek Epic*, and so on.

Acquisitions, copy-editing and proofreading

The performance of university presses is traditionally judged by the number of new titles acquired and the nature of their reception. Author loyalty, strong reviews and scholarly awards are underlying goals. In the trade market, by comparison, the key criterion is how much income is generated. A press that publishes a handful of books that turn a profit is a greater success than one that publishes large quantities of scholarship but barely scrapes by. This market principle doesn't consider promotion, tenure or contributions to knowledge; its application is indifferent to notions about enlightenment and mass education. The reliance of the humanities upon monographs is well documented,[xxi] but monographs seldom make it in the trade and can seldom fetch the high prices of sci-tech books.

To cut costs, many university presses—including some of the largest and most prestigious—often hasten copy-editing, skip proofreading, fit books into format designs and publish "product" with the affection of a mill. There is too little time, in addition to staff being too strained, to make the book better—much less make it all it could be—if it will only sell in the hundreds instead of the thousands or perhaps tens of thousands.

Marketing costs

Whatever the fluctuations in the market in recent decades, university press expenditures on marketing have remained relatively constant: between 17 percent and 20 percent of sales.[xxii] Marketing staff usually play a leading role in

determining the title of a book, the number of copies to be printed, its price and the design of a book's cover. Most subtle and most important, marketing staff determine at what discount a book should be sold.

Trade marketing tactics increase university press costs in three ways: (1) more review copies must be printed; (2) more time and expense must be allocated for arranging book signings and author appearances; and (3) much more money needs to be spent on advertising in order to reach a wider readership. A full-page ad in the *New York Times Book Review* costs as much as the total cost of publishing a typical university press monograph.

New production demands

Trade publishing brings greater constraints in pricing as well as more stress and more risks in terms of the number of copies sold. The market power of the superstores demanded uniform packaging and labeling, long-term credit and higher discounts. Discounts are a favorite tool of sharp practice. The ability of large commercial publishers to make preferential arrangements with large retailers undercuts both the smaller retailers and the smaller publishers, including university presses.

Trade press publishing leads to overproduction, not of one kind but two: print runs and new titles. Overproduction of copies is the price of unchecked optimism; overproduction of titles is the price of competition. Needing more revenue, university presses began publishing more books in the 1980's and 1990's. They had to spend more time and more money on books for readers less interested in finely focused research—leading to books written faster, less carefully refereed and less revised. Efforts to succeed through list expansion were valiant and determined, but to what end? Between 1996 and 2001, unit sales of university press books plateaued, and then decreased in the face of the 2001 recession (see Table 1).[xxiii]

TABLE 1: University Press New Titles Published: 1980-2001[xxiv]

	1980	1990	2000	2001	2002
University of California Press	199	260	297	275	180
Cambridge University Press	543	1006	2376	2394	2148
University of Chicago Press	210	255	272	262	247
Columbia University Press	109	152	150	191	153
Cornell University Press	79	144	189	146	158
Duke University Press	11	69	100	98	107
The University of Georgia Press	35	76	81	73	68
Harvard University Press	119	121	140	117	138
University of Illinois Press	47	120	166	160	160
Indiana University Press	79	185	169	191	138
Johns Hopkins University Press	113	133	191	245	228
Louisiana State University Press61	61	88	74	68	
University of Michigan Press	31	81	183	155	160
University of Minnesota Press	41	38	109	106	105
MIT Press	101	190	225	245	300
University of Nebraska Press	68	99	148	134	157
New York University Press	43	128	125	115	110
University of North Carolina Press	83	74	97	101	117
University of Oklahoma Press	72	83	86	94	90
Oxford University Press	802	1335	2250	2256	1917
Princeton University Press	136	201	275	269	301
Rutgers University Press	21	70	80	85	88
University of Texas Press	75	60	84	87	91
University of Toronto Press	92	114	147	134	148
Yale University Press	81	206	301	236	319

The book trade is unique among trades in that it allows returns: If a bookstore cannot sell a book, it can return the book to the publisher for full credit.[xxv] A book that a publisher sold in January can come back in December. When returns come back in large numbers, what had been considered a great success can quickly convert into financial disaster.

During the recession of 2001, university presses had to absorb returns in unprecedented numbers; those belonging to the Association of American Publishers reported average returns in 2001 of 20.2 percent (cloth) and 24.6

percent (paperback). Processing returns is especially expensive, requiring close attention to invoices and credit history, plus the labor of unpacking, sorting and restocking.

Bankruptcy

The bankruptcy of both the Yale Co-op in 1999 and the University of Kentucky's UK Bookstore in 2001 brought to the campus a problem that haunts the book trade: In the trade, businesses oftentimes fail. The bankruptcies of Crown Books in 1998 (and again in 2001) and Wallace's Bookstores in 2002 resulted in university presses absorbing serious losses and bearing legal expenses in order to recover a fraction of what was owed to them.

With Amazon.com's perpetual indebtedness and the discount duel between Borders and Barnes & Noble, the risk of one or more major bankruptcies is all too real. A university press with unsold inventory in the possession of a bankrupt company cannot ask for it back; it is held as an asset until liquidated for cents on the dollar.

Conclusion

It is plain that the value of a book may bear very little relation to its price. The best edition of James Fenimore Cooper's *The Last of the Mohicans* is published by the State University of New York (SUNY) Press in paperback at $19.95—and it competes with the Modern Library's and Penguin's $9.95 editions, Bantam's and Signet's $4.95 editions, and Dover's $3.50 edition. A pure marketer would snipe at the SUNY Press edition for its attention to details like punctuation and spelling, stages of revision and publishing history. But when the Library of America was establishing its list of American classics, it turned to the SUNY edition for its copy text. Similarly, Northwestern University Press's critical editions of Herman Melville's works and the University of Nebraska's editions of Willa Cather's novels must compete with editions that pay little or no heed to the complex textual histories of the novels.

The intense competition of the trade market relegates everything else a university press does to somewhere beneath receipts. This includes the encouragement and development of research; attention to language and citation; academic visibility; public outreach; on-campus publishing advice; exercise of academic freedom; familiarity with traditions—all are subordinate to sales. Rather than values in and of themselves, these features become by-products.

The presumed rationale for university presses entering the trade market—to make the money to publish scholarship—leads to the elevation of sales above scholarship, with painful results.

If university presses must enter the trade market or else, much fine scholarship will never be published at all. The prospect of publishing non-marketable scholarship online highlights the problem but does not solve it: Electronic publishing is not cheap, and no market yet exists for selling individual scholarly works online. Authors want their works in print; and as some scholarship necessarily migrates to bytes, the prestige of the book—especially the trade book—increases.

It is marvelous that so many university presses have managed to serve two masters for so long and so well: the trade market and high academic standards. By laboring in the trade market, they have acquired expertise that makes them more valuable to their universities. If university presses are to continue to advance scholarship, if they are to survive market downturns and remain the champions of creativity they were founded for, they must be shielded by subsidy or endowment.

ENDNOTES

[i] Jeanneret, M. The University as Publisher. In E. Harman, ed., *The University as Publisher*. Toronto: University of Toronto Press, 1961,11.

[ii] For a long list of what value a university press adds, see "The Value of University Press" on the Web-site of the Association of American University Presses: http://aaupnet.org/news/value.html.

[iii] The University of Texas Press, Texas A & M University Press, Texas Christian University Press, Texas Tech University Press, Texas Western Press.

[iv] Association of American Publishers. *Industry Statistics*, March 2003. Numbers are for calendar year 2002. The numbers for university presses are partial; only 29 university presses are members of AAP.

[v] *Book Industry Trends 2002*. Matawan, N.J.: Book Industry Study Group, 2002, 42.

[vi] Reid, C. More books, more publishers, higher prices. *Publishers Weekly* (June 2, 2003) 9.

[vii] American Booksellers' Association. *Bookweb* (May 1, 2003).

[viii] *Book Industry Trends 2002*, 41.

[ix] Underwood, R. G. *Production and Manufacturing Problems of American University Presses*. New York: Association of American University Presses, 1960, 5.

[x] Reid, 9.

[xi] Kornhaber, D. Read between the lines: Book superstores threaten the American literary future. *Perspective* (February 2, 1999). Available online at www.ioba.org/newsletter/V7/meskis.html. See also, Economic impacts of local merchants versus chain retailers. *Civic Economics* (December 2002).

[xii] Economic Impacts of local merchants versus chain retailers. *Civic Economics* (December 2002).

[xiii]Kyrillidou and Young. *ARL Supplementary Statistics, 1999-2000.* Washington, D.C.: Association of Research Libraries, 2001. "In 1986, the typical ARL library subscribed to 16,173 serials and bought 32,425 monographs for 16,684 students and 1,125 faculty. In 2002 it bought 17,676 serials and 30,752 monographs for 19,911 students and 1,295 faculty."

[xiv] *Book Industry Trends 2002,* 235.

[xv] In 2001, the college textbook market accounted for $3.469 billion in sales (AAP, 2001 *Industry Statistics,* T-1).

[xvi] Reid, 12.

[xvii]Davidson, C. N. Understanding the economic burden of scholarly publishing. *Chronicle of Higher Education* (October 3, 2003) B9.

[xviii] Greco, A. N. The general reader market for university press books in the United States, 1990-99, with projections for the years 2000 through 2004. *Journal of Scholarly Publishing* (January 2001) 82.

[xix] *Ibid*, 68.

[xx] Grossman Publishers Inc. had shown the way with Gaston Bachelard's *The Poetics of Space* in 1964 and *The Poetics of Reverie* in 1969.

[xxi] Thompson notes that 91.3% of citations in articles by molecular biologists were to journal articles, while the large majority of citations by humanists consistently favor books. Thompson, J. W. The death of the scholarly monograph in the Humanities? *Libri* (2002) 52, 124.

[xxii] Annual statistics reports of the Association of American University Presses.

[xxiii] *Book Industry Trends 2002*, 152.

[xxiv] Numbers in this table are derived from the annual *Directory* of the Association of American University Presses. Each press reports it own numbers to the AAUP.

[xxv] Actually, not quite unique. Sound and video recordings are also subject to return.

Making the Managerial Conscious in Composition Studies

By Donna Strickland

The field of composition studies rose to full disciplinary status in tandem with the ascent of a more market-oriented curriculum and a more corporate style of management in higher education. The author contends that the discipline's structure and function in higher education reflects that historical circumstance. This reality, however, differs dramatically from the idealistic and democratic impulses that draw most composition faculty to the field. The author urges composition faculty to examine their discipline with an explicit understanding of the "managerial" side of its nature and to take concrete action to improve working conditions for teaching faculty and foster better environ ments for teaching and learning. —Editors

Just last week, a graduate student in my department, one who has done work in both English literature and creative writing, approached me to ask about my field. "For what kinds of jobs," he wondered, "does a degree in rhetoric and composition prepare a person? Mostly administrative?" I confirmed his hunch: the vast majority of PhD-holders in the field can expect to take on some sort of administrative work during their careers. Many, in fact, will be hired directly from graduate school to do just that. They will take positions that include hiring and supervisory duties, typically of part-time/adjunct instructors or graduate employees, and often their position will include other duties involved in "running" a writing program. Some might find employment teaching writing full time, and a very few might find elite positions that involve working with graduate students and conducting research without any administrative duties, but most will assume an administrative position at some point. This near-inevitability of administrative work distinguishes composition professionals from traditional faculty in the humanities, perhaps especially from the scholars of literature with whom they often share departments.

This student's question points to another important reality: people in the university, even in English departments, where most composition scholars are

employed, are not necessarily certain what composition studies entails or how the field functions in higher education. In some respects, composition programs function like a traditional discipline with faculty educating undergraduates and training graduates to produce new research and expand the discipline. However, the differences are more striking. Research scholars in composition studies publish articles primarily on the teaching of writing and on writing itself, and the primary function of composition faculty is to enforce that knowledge on others. Composition professors are distinguished by the fact that they manage other teachers of writing, primarily teachers who are not specialists in composition studies—part-time/adjunct faculty or graduate assistants whose training is typically in another discipline such as English literature, American studies, creative writing, etc. In most cases the part-time/adjunct instructors greatly outnumber the full-time faculty, requiring a non-traditional depart mental structure. Where typically the responsibility for management of adjunct faculty belongs to one person in a traditional department—the department chair—composition programs are often constructed so that many if not all of the full-time faculty have some responsibility for managing others. The disproportionate number of "managed employees" in composition programs also leads often to a more set and managed curriculum in an attempt to ensure consistency and standards. Thus, unlike traditional disciplines in the humanities that tend to be organized on a simple expert/novice hierarchy, composition studies has a manager expert/worker hierarchy that simply doesn't exist in other disciplines.

All of this suggests that composition studies as it is structured today is characteristic of trends traditionally associated with a corporatized model of higher education with its focus more on:

- a somewhat standardized curriculum,
- a very skill-oriented curriculum,
- applied research; and,
- a workforce of highly "managed" contingent faculty

In fact, as we will see, the modern discipline of composition studies arose in tandem with the rise of the corporatized university. At the same time, the pedagogical theory that underpins composition studies (and the histories that are told about the field based on that theory) often reflects a different, "non-corporate" perspective.

Most of the practitioners of composition studies bring very idealistic goals to the classroom; that is, they see themselves as doing more than helping students efficiently acquire the necessary writing skills to go on with their studies and obtain employment. That may be one important outcome, but it is not the only, or even the primary goal. Composition specialists generally see their role as nothing less than empowering students to participate in a democratic society. This includes learning to critically judge information, to weigh facts, to think broadly and to question and challenge "authorized" and "received" knowledge from any quarter. This is especially important because composition serves the vast majority of college students including those who are financially disadvantaged, or first-generation-in college, or inadequately prepared for college—students who do not have a great deal of experience in having their needs met or their ideas honored in the political, economic and social structure. James Berlin discusses this broader perspective in the closing of his history of composition, *Rhetoric and Reality: Writing Instruction in American Colleges, 1900-1985*.

> We have begun to see that writing courses are not designed exclusively to prepare students for the workplace, although they certainly must do that. Writing courses prepare students for citizenship in a democracy, for assuming their political responsibilities, whether as leaders or simply as active participants. Writing courses also enable students to learn something about themselves, about the often-unstated assumptions on which their lives are built. In short, the writing course empowers students as it advises in ways to experience themselves, others and the material conditions of their existence—in methods of ordering and making sense of these relationships.[i]

The twin "corporate" and "idealistic" aspects of composition studies are not inherently at odds, but democratic empowerment suggests a much broader vision than training students to become efficient cogs in the education or work assembly line. My contention is that understanding the history of composition studies, and the dual strains that shaped it, is an essential first step toward bringing the discipline's nature and practice into harmony and toward engaging in any kind of disciplinary reform. In fact, the unique structure and position of composition studies suggests that composition specialists may be uniquely qualified to work toward re-shaping corporate trends in the universi-

ty—trends such as a more standardized, narrowly-focused curriculum as well as an exploitative personnel structure.

The Idealist Vision of Composition Studies

Composition professionals tend to see their work as important and, what's more, as *good*: they are connected to basic academic literacy acquisition, and so are necessary, practical and sometimes even revolutionary. They typically see the field as arising from a commitment to democratic ideals embedded in the teaching of undergraduate writing.

The ideal of democratization, in fact, has long held a central place of importance in composition scholars' self-understanding. Many scholars have described the teaching of first-year college writing as a "democratic" enterprise.[ii] The course has a democratic function, many scholars argue, because it provides an introduction to the language of the academy, an introduction that enables even under-prepared students to succeed in college .[iii] Others argue that composition courses serve as training for democratic citizenship: by learning to critically examine various kinds of persuasive discourse and to produce well-reasoned arguments in response, students learn to participate in the democratic process.[iv] Moreover, the college teacher of writing has the opportunity to introduce students to democratic procedures by providing students with opportunities to debate issues and to participate in the selection of texts and topics for discussion.[v] Indeed, for some composition scholars, especially in the early years following the short-lived open-admissions programs at colleges like CUNY in the early 1970s, even such things as teaching the use of prepositions was closely aligned with a democratic agenda. In one of the field's most heavily cited books, Mina Shaughnessy describes her own work in a basic writing program at an open admissions university:

> Toward the end of the sixties and largely in response to the protests of that decade, many four-year colleges began admitting students who were not by traditional standards ready for college. . . . For such colleges, this venture into mass education usually began abruptly, amidst the misgivings of administrators, who had to guess in the dark about the sorts of programs they ought to plan for the students they had never met, and the reluctancies of teachers, some of whom had already decided that the new students were ineducable.

> It was in such an atmosphere that the boldest and earliest of these attempts to build a comprehensive system of higher education began. In the spring of 1970, the City University of New York adopted an admissions policy that guaranteed to every city resident with a high-school diploma a place in one of its eighteen tuition-free colleges. . . , thereby opening its doors not only to a larger population of students than it had ever had before . . . but to a wider range of students than any college had probably ever admitted or thought of admitting to its campus.[vi]

Because first-year writing is one of the few required courses, and because many open-admissions students were required to take not just first-year writing but often a preparatory "remedial" course, the two came to be aligned with each other. The attention brought to bear on "basic writers" in the wake of open-admissions programs often dominated the discourse of composition studies as it was emerging as a full-fledged academic field with its own doctoral degree in the 1970s and 1980s.

The Rise of the Managerial In Composition Studies

What is often overlooked in the traditional idealistic self-view of composition faculty is that the rise of composition studies brought with it the initiation of many new "basic writing" programs, which in turn led to the appointment of new directors to lead "writing labs" or "writing centers" that would offer tutorial services for these at-risk students. Thus, the discourse that set "democratization" in motion also set in motion various administrative structures.

This setting in motion of administrative structures to meet the needs of students who would not otherwise have had access to a college education, I would argue, is one important factor leading to the formation of composition studies as a field of study. Universities began to offer doctoral degrees in composition and rhetoric in the 1970s and 1980s to meet the sudden demand for people who could direct writing programs, basic writing programs, writing across the curriculum programs and writing centers. As Richard Ohmann relates, the job prospects for PhDs in literature had bottomed out in 1968. Increasing numbers of newly-minted literature PhDs, then, took jobs in writing program adminis-

tration.[vii] In fact, such large numbers took these jobs that a new organization formed in 1976 to meet the needs of this group: the National Council of Writing Program Administrators.

It isn't that no one was in charge of first-year composition courses before 1970. English departments routinely appointed someone within their ranks to oversee composition courses and to train graduate teaching assistants. However, before the proliferation of new kinds of writing programs, it tended to be the case that an experienced professor would take on the job. With the new writing programs, new professors increasingly were hired specifically to work as administrators.

The traditional histories that trace the origins of composition studies back to the establishment of a required first-year course in English composition in the late 19th century have it only half right. That is, while the required course in first-year writing has certainly functioned as a necessary condition for the emergence of composition studies, the establishment of such a course at Harvard in the nineteenth century by no means represents a single, pure point of origin.[viii] Rather, the discipline never really emerged until after the 1960s, simultaneous with the emergence of the corporate university.

I consider it essential to understand the significance of composition studies' emergence within the corporate university and to understand that emergence within the context of the field's clear *desire* to align itself with a democratizing agenda. In other words, I recount the "myth" of composition's democratic agenda not to unveil it as "false" but as limited, limited precisely by the lack of attention to the administrative imperative within the profession.

While composition scholars may align themselves with the opening of access, such access did not happen in an institutional vacuum. While generally aligned with student protests, basic writing programs were also very much part of the emerging corporate university. Moreover, as I have argued elsewhere, apart from the program that Mina Shaughnessy famously led at City College, most basic writing programs show little evidence of being aligned with open admissions, much less with student protests.[ix] If anything, they seem often to have been prompted by a conservative emphasis on returning to the "basics" of education.[x]

In fact, the dominant managerial logic in higher education as the corporate university was emerging put a premium on the establishment of programs and increasing administrative control. "Planning Programming Budgeting System," a management strategy first used by the federal government and then inconsistently transferred to higher education during the 1960s and 1970s, "required the identification and classification of all activities into discrete programs," programs that "were to be stated in objectives and outcomes".[xi] At the same historical moment, positions to lead writing *programs*, basic writing *programs*, and writing across the curriculum *programs* began to proliferate. People who could lead these programs were in demand—so much so that new PhD programs began to appear, programs that would certify specialists in rhetoric and composition studies.[xii]

The increasing trend toward administratively heavy institutions of higher education has led to a situation, according to Gary Rhoades, in which faculty work is increasingly managed, made subject to more oversight and granted access to less decision-making. At the same time, a new kind of academic worker has emerged—what Rhoades calls "managerial professionals," those academic employees that "do not do not fit squarely into the category of *faculty* or *administrator* but constitute an occupational type that bridges conventional categories" :

> They share many characteristics of traditional liberal professions—a technical body of knowledge, advanced education (and in some cases certification), professional associations and journals, and codes of ethics. Yet they also mark a break with the liberal profession of faculty, being more closely linked and subordinate to managers and indeed being very much managers themselves.[xiii]

Managerial professionals include specialists in student services, instructional technology, grant writing and institutional development. Composition studies represents a discipline built on this concept of managerial professionals.

Composition professionals inhabit a liminal area: they generally teach and do research, like traditional faculty, but they also are "very much managers," like the new group of managerial professionals.[xiv] They are also, as I have previously noted, often hired specifically to take on administrative duties, even right out

of graduate school.[xv] This dual status has often conferred a conflicted self-awareness in the field: many in the field align themselves closely with teaching, often against research, and rarely is the field self-described as an "administrative" or "managerial" subject.

But composition professionals are managers precisely because of the emerging trends in the corporate university. This university is increasingly formed around the corporate notion of the "flexible workforce" where a smaller corps of full-time tenured faculty function more as managers over a growing number of contingent employees. While first-year composition is one of the few required courses in college and university curriculums, it is also one most prominently taught by part-time and non-tenure-track faculty.[xvi] Writing programs are, in fact, workplaces that depend on the labor of contingent faculty who are typically not trained as composition specialists and then are routinely under-supported, both financially and professionally. For example, contingent faculty often carry heavy teaching loads and teach at multiple institutions to make a living. They are routinely subject to last minute teaching assignments. They typically have less of a professional community to interact with about the discipline and teaching of writing. They rarely have any institutional "place," either physically in terms of an office where they can work with students or figuratively in terms of a voice in departments or the institution. Despite the qualifications of contingent faculty and in many cases the heroic efforts they make to teach these courses, the very real and unfair working conditions with which contingent faculty must cope cannot help but negatively impact the quality of instruction and the education of our students. Composition specialists and institutions alike must face and address that issue if they are truly committed to empowering students.

Conclusion

Since composition in many ways encompasses conflicting values in the modern corporate university, it is not surprising that it should be a subject of contention in the academy. Once composition studies began to be seen as an important cog in the "production" of successful college students, it also became the subject of unwanted attention and controversy. Some viewed composition faculty as "technocratic" opportunists attracted to the "lucrative areas of composition theory and 'pedagogy'" (Guillory 1993; Bové 1992, 163) when more traditional tenured positions in English departments disappeared.[xvii] Since the scholarship of composition was tied to what Ernest

L. Boyer called "the scholarship of teaching," rather than traditional scholarship, it was often held in lower regard. Many outside the field tended to view composition as arising simply to meet the consumer demand of large numbers of students requiring writing skills for vocational purposes and thereby lacking inherent academic value.

Some, on the other hand, blamed composition studies practitioners for not being "instrumental" enough. For example, Stanley Fish (2003) has recently complained of composition classes that "leave the students full of banal and useless opinions but without the ability to use prepositions or write a clean English sentence." This complaint is linked to a larger issue with academics who try to do more than their professional affiliation calls for: "If your planning and efforts are not task-specific," Fish warns, "the task will simply not get done, although you may be telling yourself that you're doing something higher (saving souls, saving the republic, saving the world)." Specifically, he continues:

> In the case of composition courses, what won't get done is the teaching of writing, absolutely the only thing an instructor should be interested in. Here is something the world really needs and something an academic with the appropriate training can actually do. But he or she won't ever get around to doing it if the class is given over to multiculturalism or racial injustice or globalization or reproductive rights or third-world novels or any of the other "topics," which, as worthy of study as they might be, take up all the air space and energy in the room.[xviii]

Fish is not alone in thinking that composition scholars who hope to "save the world" are overreaching their duties and missing the chance to do "something the world really needs"—teach students to write. Composition scholars, for their part, would be likely to tell Fish that he oversimplifies just what teaching students to write involves—it certainly involves more than attention to prepositions. At the same time, Fish overlooks the historically significant connections between democratization ("saving the republic") and writing instruction.

In re-telling the story of composition, my purpose is by no means to discredit the discipline: indeed, it is my discipline. Rather, I hope to make the manageri-

al a conscious part of the discipline's history so that the discipline can take a better look at itself, getting away from the romanticized history that has been the dominant disciplinary narrative. This is not to suggest that I want to abandon the larger project of empowering students and, by extension, of working toward a more democratic society. In fact, I want to make the democratic hope and possibility of composition instruction visible to those outside the field, including those who might dismiss it as hopelessly entangled in the instrumental logic of the corporate university. However, if composition studies is to have a role in democratization of the university and society, composition specialists will need to honestly confront the field's own participation in a hierarchical, managed university and, more specifically, address its own labor practices and what those practices mean for the discipline and its students.

Composition studies is hardly an aberration in that sense, although it is something of a hybrid, its specialists occupying a place between traditional faculty and managerial professionals. But this hybrid status is precisely the potential of composition specialists, who tend to have alliances with critical studies in the humanities *and* with the administrative apparatus of the corporate university. By working with both affiliations, composition specialists are in a position to critically examine the labor situation that makes the field possible and to work in alliance with other labor organizers to strategically engage with university administrators for change. In fact, many composition specialists are already engaged in just that kind of work.

Eileen E. Schell's 1999 book, *Gypsy Academics and Mother-Teachers: Gender, Contingent Labor, and Writing Instruction*, has done much to bring the problem of part-time labor—a labor force made up in large part by women—to the fore in composition studies, but it is too little known outside the field. After carefully examining the material realities of contingent labor, Schell works through various strategies for changing their working conditions, including the possibility of converting part-time positions to full-time, tenure-track positions, as well as the potentiality of collective action among adjunct instructors. In a follow-up edited collection, Schell and Patricia Stock offer stories and strategies for "moving the mountain" and transforming the conditions of contingent labor in higher education. They acknowledge that doing so will require something more than a "dogmatic or single-minded agenda"; what's needed, they maintain, is an understanding of the complexities of the contingent labor problem and also a recognition of the "work of a variety of faculty and academ-

ic administrators who are striving to effect productive and ethical change in the working conditions of non-tenure-track faculty at diverse institutions."[xix] They hope that focusing on this work will "encourage the development of the kind of discourse we believe must be constructed if those of us with vested interests are to shape policies and practices that ensure quality education."[xx] Their focus, in other words, is highly pragmatic: What has worked? What might work?

For my part, I would add to this pragmatic discourse a historically-grounded theoretical insight: composition studies as a field has historically depended on the very labor conditions that Schell and Stock seek to address. They note that although composition studies has developed into a "promising new research field," composition specialists "have been less successful in changing exploitative working conditions."[xxi] The promising new field, I contend, exists because exploitative working conditions exist. What happens to a field that sets out to rectify a situation that makes it possible? Will only temporary reform happen, reform that ultimately changes little? Or will composition specialists face the daunting challenge of chipping away at the very foundation that has made the field possible—the foundation of the managed, corporate university?

My own view, of course, is that committed composition specialists need to be willing to risk the disappearance of that foundation. They need to first recognize the working conditions of their own field and work within their institution to improve those conditions. But they also need to recognize that attending only to the working conditions of those they manage will do little to change the corporate university itself: the struggle needs to be broader. That is, composition specialists can't stop at being advocates for writing teachers alone: they, like all full-time tenured faculty, must be advocates for all contingent faculty. And they can't stop at being advocates for contingent faculty: they must work to critically understand the forces shaping the corporate university and to participate in the shaping of policies that might bring about change.

ENDNOTES

[i] Berlin, J. A. *Rhetoric and Reality: Writing Instruction in American Colleges, 1900-1985*. Carbondale: Southern Illinois University Press, 1987, 188-9.

[ii] Berlin, J. A. *Rhetorics, Poetics, and Culture*. Urbana, Ill: NCTE, 1996; Lunsford, A. A. Rhetoric and Composition. In Gibaldi, J., ed. *Introduction to Scholarship in Modern*

Languages and Literatures. 2d ed. New York: MLA, 1992; Harris, J. *A Teaching Subject: Composition Since 1966*. Upper Saddle River, Nj: Prentice, 1997.

[iii]Shaughnessy, M. P. *Errors and Expectations: A Guide for the Teacher of Basic Writing*. New York: Oxford University Press, 1977; Bizzell, P. *Academic Discourse and Critical Consciousness*. Pittsburgh: University of Pittsburgh Press, 1992.

[iv] Berlin 1996; Paine, C. *The Resistant Writer: Rhetoric as Immunity, 1850 to the Present*. Albany: State University of New York Press, 1999.

[v] Shor, I. *When Students Have Power: Negotiating Authority in a Critical Pedagogy.* Chicago: University of Chicago Press, 1996.

[vi] Shaughnessy, 1-2.

[vii] Ohmann, R. *English in America: A Radical View of the Profession*. New York: Oxford University Press,1976. Reprint, Hanover, NH: University Press of New England, 1996.

[viii] A few scholars have, like me, located the origin of composition studies to the 1960s and 1970s, but for very different reasons. North, for instance, traces the emergence of composition studies to the spate of research in writing during the 1960s, while Nystrand et al. emphasize the appearance of a number of peer-reviewed journals in the 1970s as evidence that a new field had emerged. Research and journals in composition, however, while symptomatic of a new field, do not by themselves indicate the material conditions that made the emergence of a new field of study possible. Nystrand, Martin, et al. "Where did composition studies come from? An Intellectual history." *Written Communication* (1993) 10, 267–333.

[ix] Strickland, D. Errors and interpretations: Toward an archaeology of basic writing. *Composition Studies* (1998) 26, 21–35.

[x] Trimbur, J. Literacy and the discourse of crisis. In Bullock, R., and J. Trimbur, eds. *The Politics of Writing Instruction: Postsecondary.* Portsmouth, N.H.: Boynton/Cook-Heinemann, 1991.

[xi]Birnbaum, R. *Management Fads in Higher Education*. San Francisco: Jossey-Bass, 2000, 35, 39.

[xii] In *Rhetoric Review's* most recent directory of PhD programs in rhetoric and composition, only three of the sixty-five programs listed indicate an inception date earlier than 1970 (Doctoral 2000). Most were begun in the 1980s, after the founding of the National Council of Writing Program Administrators.

[xiii] Rhoades, G., and S. Slaughter. Academic capitalism, managed professionals, and supply-side higher education. In Martin, R., ed. *Chalk lines: The Politics of Work in the Managed University*, NC: Duke University Press, 1998, 49-50. See also, Rhoades, G.

Managed Professionals: Unionized Faculty and Restructuring Academic Labor. Albany: State University of New York Press, 1998.

[xiv] Strickland, D. The managerial unconscious of composition studies. In Bousquet, M., T. Scott, and L. Parascondola, eds. *Tenured Bosses, Disposable Teachers: Writing Instruction in the Managed University,* Carbondale: Southern Illinois University Press, 2003.

[xv] Schuster, C. I. The politics of promotion. In Bullock, R., and J. Trimbur, eds. *The Politics of Writing Instruction: Postsecondary*. Portsmouth, N.H.: Boynton/Cook-Heinemann, 1991, 85–95.

[xvi] Schell, E. E. *Gypsy Academics and Mother-Teachers: Gender, Contingent Labor, and Writing Instruction.* Portsmouth, N.H.: Boynton/Cook-Heinemann, 1998.

[xvii] Guillory, J. *Cultural Capital: The Problem of Literary Canon Formation.* Chicago: University of Chicago Press, 1993; Bové, P. *In the Wake of Theory*. Hanover, N.H.: Wesleyan University Press/University Press of New England, 1992, 163.

[xviii] Fish, S. The same old song. *The Chronicle of Higher Education* (July 11, 2000). http://chronicle.com/jobs/2003/07/2003071101c.htm 2003 November 1.

[xix] Schell, 6.

[xx] *Ibid*, 6.

[xxi] *Ibid*, 8.

The Changing Role of Labor Education

By Edward Hertenstein

Labor education is a discipline particularly vulnerable to a corporate mindset in higher education. Today, these programs face state budget cuts, declining union membership and an increasing focus on organizing, rather than education, on the part of labor unions. The author addresses what these threats mean for the structure and research agenda of labor education programs and what avenues may be taken to address the future. —Editors

Labor education programs at public colleges and universities in the United States are facing a triple threat to their continued existence. State universities are facing budget cuts in the hundreds of millions.[i] Unionization rates have fallen—to the lowest level since the 1930s—and as a result, the number of potential students in labor education programs has declined.[ii] Finally, unions are diverting resources from education programs to organizing efforts as they recognize that growth has become the most critical task facing them today.[iii] This paper addresses what these threats mean for the structure and research agenda of labor education programs, and how the labor movement must serve as a counterbalancing force to ensure that research and education do not ignore the values of working-class America.

The Role of Labor Education Programs

At American colleges and universities, labor education programs fill a unique educational niche. First and foremost, they are adult education programs aimed at producing a unionized workforce that has the education and skills necessary for dealing with an increasingly mobile and corporate culture. They differ from the education programs offered by labor unions themselves in that they serve a much greater variety of clients within the labor movement, including state, regional or international labor unions and federations, as well as

labor-management cooperation committees and individuals who want to gain further knowledge about labor issues.

Historical origins

Labor education programs have their roots in the progressive movement of the early 20th century, with the first organized university program being founded in the 1920s at the University of Wisconsin's School for Workers.

The prevailing style of unionism prior to the New Deal was "craft" unionism. These unions, comprised of skilled tradesmen, controlled wages by controlling the supply of trained workers. With that methodology in mind, most of these unions provided their own training in the form of apprenticeships. But with the arrival of the New Deal, a new type of unionism arose. Industrial unions organized *all* workers in an industry, without regard to skill level. This massive organizing effort brought millions of people into the labor movement who had no ties to previous union members. Whole new groups became union members for the first time, including African Americans, women and immigrant groups, previously excluded from participating in the labor movement.

These new members lacked the history of the craft unionists and needed to be educated about what it meant to be a union member. The industrial unions established their own training programs, but found that was not enough. Ultimately, they used their newfound political power to convince state legislatures to establish college-based labor education programs in states (now referred to as the Rust Belt) where labor's influence and collective voice were the strongest. As a result, between 1935 and 1950 many labor education programs were established. [iv]

In more recent years, public-sector and white-collar workers have joined the labor movement, offering a different challenge to labor education programs. These workers have a need for credentials, in order to receive promotions or certifications. Labor education programs thus began offering certificate and college-credit programs. Examples include Indiana University's Division of Labor Studies, which offers a Bachelor of Science in Labor Studies, and UMass Amherst, which offers a Master's degree in Labor Studies.[v]

Educational services to labor organizations

One way that labor education programs serve labor organizations is by providing contractual, customized education to the various unions. These programs

frequently enhance local apprenticeship programs, offering labor history or classes on organizing and servicing a diverse membership. They also offer basic labor skills classes, such as grievance handling and collective bargaining. Additionally, programs involving more advanced topics, such as arbitration and theories of the labor movement, are offered.

Educational services to individuals

Labor education programs serve individuals in two different ways: non-credit, general knowledge programs and credit-granting degree programs. The non-credit courses are designed to produce a more educated labor movement, without individual acknowledgement, while those offered for credit are designed to give individual recognition to persons who complete degree-level courses.

For the most part, labor education classes are restricted to current union members and help provide an avenue for members to reach different levels of responsibility within their unions. There is, however, ongoing discussion among labor educators about the proper universe of potential students—some believing that only union members should be the target group, with others believing that all of the working class should be the target. Some programs are offering classes directly aimed at recent immigrants—often taught in immigrants' native languages. In addition, a push is on for labor education programs to offer classes at the grade school and high school levels, so students who are not currently exposed to unions, due to the decline of union density, are receiving labor movement exposure.

Research services

Labor education programs support research that examines the role of collective action in the work world. Many labor educators publish on the subject of organizing, examining either past efforts[vi] or future tactics.[vii] Others publish about internal organizational strength. Still others publish about union commitment—the concept of how strongly individuals are connected with their unions. The educators in labor education programs are often cited in the popular press on labor issues, providing an independent source with credibility, friendly to the labor movement.

Labor education programs also help to provide information services to unions through work with other groups on campus.[viii] These include contract

research, access to information from research groups such as the National Bureau of Economic Research, training in use of and access to services such as LexisNexis™ and news collections. Some large unions provide these services from within, but smaller ones obtain help from university labor education centers.[ix] These centers are also able to handle databases, as well as provide a conduit for communication between unions and among unions, and with employers in labor-management cooperation groups. Databases can include contracts, possible organizing targets and important community contacts, as well as mailing lists of members. In the communications area, assistance can include providing Web training or even space.[x]

A new partnership between Indiana University and the Indiana State AFL-CIO is indicative of some of the possibilities. Organize Indiana Project (OIP), a Web site that is maintained by Indiana University's Division of Labor Studies, includes links to unions, research information and government sites. It also includes current news about labor and upcoming events of significant importance to the working people of Indiana.[xi]

Funding Issues for Labor Education Programs

The University of Minnesota's Labor Education Program recently conducted a survey among university labor education programs. It examined the funding structures of the various programs currently in existence at U.S. universities and colleges. Twenty programs were found to be currently operating in states ranging from Maine to Hawaii and from Minnesota to Florida. The majority, however, are concentrated in the Rust Belt, encompassing the Northeast and upper Midwest. There is a gap between Nebraska and the West Coast; and only three programs are in the Deep South—at the University of Alabama, Georgia State and Florida International University (FIU).

Most programs receive the majority of funding from their respective states, although two schools receive less than 50 percent of funding from the state: the University of Oregon's program is funded at a 48 percent rate, while the University of Connecticut's program is moving toward zero funding from the state. A significant number of other programs get 60 percent to 70 percent of their funding from the state, including those at the University of Arkansas, Cornell, Iowa State University, and the Universities of Massachusetts, Minnesota and Missouri. Still other schools receive support for salaries only, such as FIU and Georgia State. The Universities of Alabama, Kentucky and

Maine are currently receiving 100 percent of their funding from their respective states.

State budget cuts

The recession of 2001, along with the largest federal tax cut in history (which, among other things, redefined certain types of income as nontaxable), had a greatly negative effect on the revenue collected by the states. The combination of reduced taxable income, stock market losses and reduced personal income due to the recession cost states billions of dollars in revenue. For example, Illinois faced a $5 billion budget deficit in fiscal year 2003-04, while California's deficit is an astronomical $45 billion—more than the gross national income of 126 countries.[xii]

Budgetary problems seem to be universal among public universities. Examples from two universities with labor education programs illustrate this trend. The University of Illinois (UI) has suffered a 25 percent cut in state funding over the last two years, resulting in the elimination of 1,100 jobs, including 230 faculty lines. Its labor education program in particular has absorbed a 33 percent cut in faculty lines.[xiii] At the University of Wisconsin, state funding was slashed by $250 million in fiscal year 2003.[xiv] The pioneering UW Industrial Relations Research Institute is slated to be eliminated as soon as the current students move on. Michigan State University (MSU) absorbed a $31 million budget shortfall.[xv] Rutgers, The State University of New Jersey, has gone through a series of budget cuts, placing the funding level lower than five years ago, despite escalating costs.[xvi]

While many of the programs continue to receive significant levels of funding from their respective states, there is definite downward pressure. At UI, for example, salaries for teaching staff are 100 percent funded, but recent cuts in the University's state allocation have resulted in two out of six positions going unfilled. The director has said that if a secure source of funding can be found to cover the salary of an additional person, one may be hired, but not with state money for the foreseeable future.

Referring to labor education programs at Iowa State University (ISU), university president Gregory Geoffroy expressed a common fact: "These are highly visible units that broaden and enrich the learning experience at Iowa State University. Unfortunately, when we're forced to reduce the university budget, these units

must rely even more heavily on fees for services and private giving to balance their budgets."[xvii]

Searching for other funding sources

If public funding is in decline, universities must obviously constrict their services or find funding from other sources. Other university programs have sought to make up for the public funding shortfall with grants from individual donors, foundations and corporations. Not surprisingly, these sources favor corporate-oriented programs and have not been a significant source of funding for labor education programs. In the absence of government funding for all public education and research, labor education must find funding from outside sources.

What other sources, then, do labor education programs turn to? The major alternative is program fees from clients. This includes fees charged to unions and tuition collected from individuals. Another major source is grants from the federal government. These include grants from the Department of Labor's Occupational Safety & Health Administration (OSHA) and the Federal Mediation & Conciliation Service. Individual donors and foundations, such as the Alfred P. Sloan Foundation, also provide funding for these programs.

Organized labor is clearly the obvious source of outside support. However, the labor movement is faced with its own threats to survival. The percentage of U.S. workers belonging to unions has been dropping ever since the Bureau of Labor Statistics has kept comparable statistics. Only 13.2 percent of U.S. workers belonged to unions in 2002—the lowest level since before the Wagner Act of 1935 was passed.[xviii] This is in stark contrast to the high of 20.1 percent in 1983, when the BLS first started tracking unionization rates.

There are many reasons for the decline in unionization rates, one of the most important being the loss of manufacturing jobs.[xix] Since 1998, 2.4 million manufacturing jobs have been lost. Among the most visible of these casualties is the heavily organized basic steel workers, as one steel company after another has gone bankrupt. And as a result of the reduction in numbers of unionized workers, the pool of students from which labor education programs draw has decreased.

There is little argument that union organizing has become the first priority for the American labor movement. With membership density at near-record lows,

the AFL-CIO has asked its affiliates to commit 30 percent of their budgets to organizing. This, of course, will require a reallocation of resources away from other elements of union activities, including labor education.

One casualty of this reallocation is the elimination of the AFL-CIO's Education Department. The department formerly produced educational materials, which were distributed to affiliate union education departments and labor education programs, allowing many unions and labor education programs to offer classes that presented a similar view on the labor movement. These included programs on popular economics to counter the corporate view of the world and materials to help with organizing. Since the demise of the education department, there is no single source for such materials.

Where, Then, Does Labor Education Go from Here?

As long as labor education is not designated for complete public funding as an academic discipline, it seems clear that these programs need support from organized labor in order to survive. Direct support is critical, as is political support to help maintain state funding; however, at the present time, organizing is, and properly should be, the top concern for the labor movement. Without a sustaining number of members, the movement will become irrelevant to the vast majority of Americans. The survival of labor education, then, may depend on its ability to demonstrate a concrete connection to organizing.

A recent program in cooperation at FIU shows both the promise and problems associated with trying to change labor education in order to increase organizing. The South Florida Carpenters Regional Council contracted with the labor education program at FIU to offer organizing classes to both established residents and new immigrants. This series of classes reached into the core of the union and challenged some of the long-held beliefs of its membership, exposing significant rifts between the recent immigrants and the established workers. Had this series been run by internal union educators, it could have brought the union to its end. However, the presence of an "outside" university educator allowed the differences to be expressed without the union taking sides. The instructor states in his conclusion:

> Although it is exceptionally hard to do, this type of education probably has a greater impact than conventional labor education classes. It truly unites theory with practice, education with

> action. For that reason, it can be the most rewarding labor education ever undertaken by a labor educator. [xx]

Another example of the type of change that labor education programs need to make is improving union staff training to aid in the transformation. In many cases, union staff have little time for training and must learn on the job, even as the union movement changes around them. Labor education programs can offer these staff members an opportunity to pick up the necessary theory to go along with the practice they already possess.[xxi]

Another way to demonstrate relevance is through research designed to make a connection between labor education programs and eventual organizing success.[xxii] Prior research has shown that union participation leads to higher union commitment, which in turn leads to more organizing efforts.[xxiii] Recent research has suggested that there is a link between union members who participate in labor education and later union participation.[xxiv] Establishing a direct link between labor education and union organizing efforts should enable labor education programs to enlist the full cooperation of the labor movement in lobbying for the restoration of government funding for all public education and research.

These examples are illustrative of the kinds of connections that must be strengthened. Labor education departments can also explore the possibility of providing some of the services previously offered by the unions themselves, such as member education, research and publication. Finally, the supporters of labor education programs must make a major effort to convince organized labor that its support is essential to counterbalancing the increasing role of corporate America in our public colleges and universities.

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Book Review of *Universities in the Marketplace: The Commercialization of Higher Education* by Derek Bok

By Susan Meisenhelder

According to the reviewer, Universities in the Marketplace is a valuable critique of the pursuit of profits by universities. Bok's argument is directed at university presidents and administrators, who feel the pressure to increase profits, and at trustees, legislators, and members of the general public, who often support commercialization. Some might argue that Bok disregards, or is too uncritical of, some of the broader effects of the corporate culture on higher education, but he has made an important contribution to the literature. —Editors

Universities in the Marketplace: The Commercialization of Higher Education (Princeton University Press, 2003) by former Harvard president Derek Bok is a book that may be too easily dismissed by faculty who have followed the debate surrounding the corporatization of the university or who are generally concerned with its pervasive effects. Bok defines "commercialization" narrowly as the pursuit of profits by universities; consequently, some might argue, he disregards the broader influence of corporate culture on the university that is transforming everything from shared governance to tenure. Others may find Bok's efforts to praise the virtues of business and to position himself in the political "center" suspect; and still others may label some isolated characterizations of faculty and university culture as gratuitous swipes.

However, Bok's is an extremely valuable book, directed not primarily at a scholarly audience, but at university presidents and administrators, who feel the pressures to increase profits most intensely, and at trustees, legislators and members of the general public, who often uncritically support commercialization and pressure universities to embrace it. While his analysis of the problems commercialization brings is perhaps not radically new, his practical suggestions and conclusions are nonetheless far-reaching. In the end, he reaffirms

the social and intellectual value of the university, outlines with a persuasive sense of urgency the dangers commercialization presents to it, and lays out a responsible role through which faculty, administrators, trustees and political leaders can address it. *Universities in the Marketplace* presents a carefully crafted argument on this issue that is designed to move the most difficult audience—those most enamored with the opportunities the marketplace offers and, at the same time, least sensitive to its destructive influence.

To open the door with this audience, Bok goes to great lengths to avoid any appearance of bias against business; he praises corporations for providing incentives for customer satisfaction and efficiency and questions whether business might not actually have something to offer universities. In answering that question, he seems to straddle the fence, arguing that universities have other, subtler incentives than profits, but also strongly suggesting that business does have relevance for universities. His discussion of particulars, however, places much more emphasis on the limits to the relevance of business in the core functions of a university. Nevertheless, his conclusion seems to land somewhere in the middle: business is neither wholly helpful nor entirely irrelevant in the context of universities, and university officials must weigh the benefits and costs when evaluating particular projects.

In the search for principles to follow in assessing specific commercial projects, Bok looks for lessons from areas such as athletics, for example, where commercial opportunities have been exploited most clearly. And it is in the chapter on athletics—which attacks prevalent myths about the value of commercialized athletic programs and the usual justifications for their existence—that the depth of Bok's critique of commercialization first becomes apparent. He points out that the vast majority of these ventures not only fail to produce profits but also incur huge academic costs that are accompanied by lower graduation rates and impoverished educational experiences for athletes. The justifications usually proffered to counter this reality are, he offers, simply not true: Commercialized athletic programs do not help universities attract more and better students, increase school spirit or even increase alumni giving. The lesson Bok draws from the playing fields is hardly a fence-straddling one:

> . . . the saga of big-time athletics reveals that American universities, despite their lofty ideals, are not above sacrificing academic values. . . in order to make money. Nor will they shrink

> from exploiting their own students, where necessary, to succeed on the playing field. Although universities regularly proclaim that they seek to help students develop to their full intellectual potential, they have allowed athletics to consume the lives of their players to such an extent that their athletes cannot possibly obtain anything like the full value of their undergraduate experience. In so doing, universities have compromised the most fundamental purpose of academic institutions (54).

The history of commercialization in higher education athletics gives Bok the opportunity to make another point that will become important when he turns to other areas in which the marketplace is just beginning to make inroads. The example of athletics demonstrates how money slowly transforms values and how hard it is to turn back once commercialization is entrenched.

That is exactly the cautionary note Bok strikes when he looks at other areas of the university, such as scientific research and education via the Internet, where commercialization is rapidly gaining ground. Assessing the value of commercial ventures as they are proposed in these developing areas often appears straightforward because the potential benefits (profits) seem to so clearly to outweigh costs. Weighing benefits and costs is actually quite difficult, both because profits often do not live up to expectations and because costs are so often intangible—the undermining of academic standards and scientific inquiry, the poor moral examples provided to students, the damage to the academic community, and the threats to the university's reputation for its integrity and "disinterested" service to society.

The sprint towards commercialization is aided by the resulting tendency to exaggerate the benefits and overlook the dangers, and also by the fact that it is rarely just one for-profit venture that brings such huge costs but the collective effect of a series of discrete decisions. The pressures on university decision-makers to undertake commercial ventures are thus intense because they know they will be held responsible for turning down what appear to be profitable ventures, but not for the long-term costs as a result of their individual decisions. Because the marketplace will so often win in ad-hoc, case-by-case evaluation, commercial ventures in universities *must* be subject to clear institutional regulations and safeguards. "When rules are unclear and always subject to negotiation, money will prevail over principle much of the time. Resourceful

companies will pick universities apart, finding individual faculties willing to grant them what they want, then using these concessions to pressure other institutions with which they seek to interact" (156).

Bok provides numerous examples of the rules and standards he feels are needed. To protect the integrity of research sponsored by business, for example, he argues that universities should prohibit scientists from conducting research on human subjects if the researcher has significant financial interest in a company supporting the work; and in research not dealing with human subjects, the university should require professors who have ties to businesses with an interest in the results to disclose those ties or funding sources in publications and official testimony.

He also charts a vigorous oversight function for institutional trustees. They should, he argues, establish criteria for evaluating presidents that include not only raising money and accomplishing expensive goals, but also demonstrating respect for academic standards when they conflict with the quest for funds. In addition, trustees should ensure the adequacy of rules surrounding conflicts of interest; they should review for-profit educational schemes and only approve those that clearly have adequate faculty oversight for ensuring quality. And finally, they should conduct regular audits to ensure that standards for upholding academic values are, in fact, being followed.

In a conclusion hardly predictable from the book's beginning, Bok ends with a persuasive argument for the centrality of faculty in a collective effort to provide assurance that commercialization does not threaten academic values. Placing the faculty—not the administration—in the primary decision-making role and positing shared governance—not managerial discretion—as the appropriate process for making these decisions, Bok directly rejects a business model for the operation of universities:

> Shared governance and faculty participation, it is said, are expensive luxuries that enterprising universities can no longer afford if they wish to keep up with the competition. Such statements may sound plausible, but there is actually very little evidence to support them. In the history of commercializing higher education, one can much more easily find hasty, misguided,

> profit-seeking ventures than point to truly valuable opportunities that were lost through prolonged faculty debate (192).

As is suggested, Bok finally reaffirms the value of the university—not as a potential site for corporate profit-making, but rather as an institution with its own values, standards and organizational logic, one that can only fulfill its critical role in society when it and its core values are protected from business.

The book is not without its problematic sections, however. More than a few times, Bok either fails to grapple with problems that commercialization brings to most colleges and universities or does so in an uncritical way. He suggests, for example, that concerns about the potential of education via the Internet to facilitate administrative intrusion into the classroom are unfounded because of the power of faculty over campus presidents. This argument, however, can only resonate with a handful of tenured faculty and at only a handful of elite institutions.

Even more serious, he refuses to see the increasing use of low-paid, part-time faculty as one of the dangers of commercialization—as he describes, appearing to be a financial "benefit" and not having a cumulative effect that threatens the basic values of the university. In fact, he seems unaware of the debates surrounding faculty contingency, explicitly refuses to label it as "exploitation" and instead, dismisses that charge with the almost inexplicable comment: "Evidently, the graders and instructors involved would rather take the work than seek alternative employment" (96).

Such statements point to a big piece missing from Bok's argument and a set of needed safeguards left unexamined in his analysis. Despite placing faculty at the center of his program for protecting the university from commercialization, he fails to address the ways in which the corporatization of the university has led to the gradual stripping of the faculty's ability to do so. He also misses an important opportunity to discuss the role tenure itself plays in protecting the university from commercialization; arguments framing tenure as a social value rather than a mere personal privilege of professors are surely needed.

Collective bargaining as yet another safeguard for protecting the faculty's ability to speak out and to resist uncritical acceptance of commercialization is even further from Bok's analysis. In fact, faculty unionization is one of the "dangers"

he holds out to administrators as the price they may pay for commercializing the university: if they make universities more and more like corporations, professors may respond by acting more and more like workers.

One would certainly wish that Bok had addressed these issues in ways responsive to what his own discussion invites, and it is a shortcoming of the book that he doesn't. Nevertheless, *Universities In the Marketplace* is an important contribution to the developing critique of the corporatization of the university, especially since it addresses an audience that is often not engaged in the debate, but crucial to it. He explains as no one else has the seductiveness of commercialization to even well-intended administrators, and he makes a powerful case for the dangers of commercialization to those outside the ranks of liberal arts faculty.

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